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# Latin America Report

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15 June 1982

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## YPFB OFFICIAL COMMENTS ON OPERATIONS

La Paz PRESENCIA in Spanish 29 Apr 82 p 4

[Text] Tarija, 28 Apr--During a recent visit to this town, Col Otto Lopez Murillo spoke about the operations carried out by the YPFB [Bolivian Government Oil Deposits] state-owned company at national and departmental levels.

Speaking about Tarija Department, Lopez Murillo said that exploration work had been expanded and that now, the results obtained had been very satisfactory for the country. There was, for instance, the discovery of hydrocarbons made by the YPFB and by Tesoro Petroleum Co, a U.S. company which in recent months has been successful in finding oil in the areas of San Roque and Suris.

Drilling operations are now in progress in Sanandita to sink a first well in an attempt to get this large oil field back into operation with the help of modern technology that allows deeper drilling. Drilling operations have reached a depth of 850 meters and are expected to go down to 2,400 meters. Results so far are satisfactory and the final outcome is expected to be a total success.

In the San Roque oil field, drilling of a second well has started. The first well is pumping 350 barrels of oil and 8 million cubic feet of gas per day.

In Bermejo, operations were seriously hindered by recent floods and landslides. The general manager said that despite this serious drawback, the project has not been abandoned and that they will drill a well 500 meters from the location that had been originally selected.

He also said that five oil fields were discovered in Bolivia in 1982 and that most of these fields are located in Tarija Department. He noted that the YPFB spreads its operations throughout the country and that his agency listens to requests from all the districts. He also admitted that Tarija had been neglected in recent years to such an extent that the refinery of Sanandita and the operation camps located there and in Bermejo were recently dismantled.

He concluded by saying that, as announced by the president, work to build a gas pipeline between Bermejo, Emborozo, Tarija and El Puente is scheduled to start in the first half of May. They were not able to start building it this month because the area was cut off.

8796

CSO: 3010/1517

## FUEL SAVINGS STUDY SET FOR TRANSPORT INDUSTRY

Havana GRANMA in Spanish 11 May 82 p 3

[Article by Joaquin Oramas]

[Text] Representatives of various agencies, enterprises, and institutions have exchanged views, shared experiences, and adopted agreements intended to facilitate coordinated, joint research now in progress. The goal is to introduce different measures regarding transport and passenger motor vehicles that make it possible to reduce fuel consumption, thus achieving savings of such products.

At this meeting, held at the Central Planning Board offices, officials discussed factors related to savings of gasoline and Diesel fuel in motor vehicles, import substitution, and the search for formulas enabling them to make broad use of experiences contributing to improved, more efficient fuel consumption by transport and other vehicles.

The meeting was presided over by Jose Gonzalez Frances and Herminio Garcia Lazo, vice presidents of the JUCEPLAN [Central Planning Board], and by Pedro Ross, alternative member of the party Central Committee and chief of its Department of Transportation. Also present were officials and leaders from the Technical Advisory Council on Energy, MINBAS [Ministry of Basic Industry], the steelworking industry, MINAZ [Ministry of the Sugar Industry], the CEATM [State Committee for Material and Technical Supply], MITRANS [Ministry of Transportation], the Office for Concern with Local Organs of the People's Government, the Jose Antonio Echeverria Higher Polytechnic Institute (ISPJAE), and the Pinar del Rio People's Government.

In an opening statement, Gonzalez Frances offered a brief report on the different projects being carried out by agencies and institutions to save energy in the transport sector. At the meeting, reference was made to the study performed by the MITRANS Transportation Research Institute, which speaks of the high fuel consumption by our vehicles owing to malfunctions occurring when they are in use and also because of the poor quality of maintenance and repairs.

Ross spoke favorably of the measures under study concerning regulation of the speed of vehicles, which makes it possible to reduce fuel consumption. He also stressed the importance of profiting from the experiments different agencies are conducting in their research designed to reduce transportation costs.

One of the projects he mentioned is the one involving electronic ignition systems. Also mentioned was the need to control the temperature of vehicle engines, which

causes greater fuel consumption when it fluctuates. Concerning this, Rodrigo Garcia, vice president of the CEATM, spoke of the importance of replacing engine thermostats, suggesting that measures be adopted to prevent their being removed from the trucks and other vehicles being imported. It was brought out, too, that control of engine temperature also results in longer useful life for the oil, which is another way of saving.

During the discussion, reference was made to experiments performed by the ISPJAE in the course of its studies of fuels and lubricants, particularly means of more efficient gasoline consumption. Another project discussed, and regarding which there was agreement to conduct further research, is regulation of vehicle carburetors. Reference was made to the experience with this obtained under the direction of the Pinar del Rio Provincial Committee on Energy Savings.

People also spoke of the advantages of using deflectors on trucks intended for highway travel. This item reduces air drag affecting the vehicle when it is in motion, requiring the engine to expend more energy. The use of diagnostic equipment to find engine problems was also recommended.

Pedro Gomez Valle, head of the campaign section of the Central Committee's DOR [Department of Revolutionary Orientation], discussed matters related to the campaign to provide support for projects being carried out to save energy.

9085

CSO: 3010/1610

## FAVORABLE TRADE BALANCE AMONG ANDEAN PACT COUNTRIES REPORTED

Caracas NUMERO in Spanish 2 May 82 pp 33-36

[Text] This work, presented by Venezuelan economist Jose Manuel Serna in the First Congress of Latin American and Caribbean Economists, summarizes the experience of a decade of exports within the Cartagena Agreement. Despite differences among the members of the Andean community, clear positive signs and a growing participation of industrial products are noted.

In an initial appraisal of the commercial development of the Andean group, we find an increase of \$3,375,500,000 in the surplus in the overall trade balance, this surplus increasing from \$1,538,100,000 in 1970 to \$4,913,600,000 in 1979. This change includes notable increases in all countries except Bolivia, which worsened from a surplus of \$36.5 million at the beginning of the period to a \$185 million deficit in 1979. But the rest of the countries confirm changes ranging from deficits becoming surpluses, as in the cases of Colombia (from \$107.3 million to \$379.4 million) and Ecuador (from \$83.9 million to \$58.0 million), to the multiplication of the surpluses in their respective balances, as in the cases of Peru (from \$426.1 million to \$1,525.8 million, an increase of 358 percent) and Venezuela (from \$1,266,700,000 to \$3,135,400,000, equivalent to 275 percent).

In going from this summary data to components for both inside and outside the subregion, one can appreciate the importance of the integration process in the behavior of the Andean group's trade balance. It can be seen, in the first place, that total exports by Andean countries grew 450 percent in the period under consideration, from \$5,350,400,000 in 1970 to \$24,087,400,000 in 1979. The weight of oil within this total distorts greatly, because it represented 55 percent of all exports in 1970 and 63.2 percent in 1979. This means that the increase in oil prices, especially important for the balances of Venezuela and Ecuador, is a decisive factor in the tendencies for the group's trade balance to show a surplus. Nevertheless, changes in the subregion's internal trade are qualitatively more significant, with this total, excluding petroleum, increasing from \$77.7 million in 1970 to \$1,045,800,000 in 1979. This 1.345 percent growth is significantly greater than the increase in overall trade already mentioned and the relative increase in petroleum itself, where the index of 720 percent for this period is more a reflection of the increase in prices than of an equivalent variation in real terms.

The variation in trade within the subregion is also significant with respect to the rest of total exports of the countries, including the rest of the world. At this level the proportion of trade internal to the region is also significant with respect to the rest of total exports of the countries, including the rest of the world. The proportion of Andean trade increased from 2.1 percent in 1970 to 5.3 percent in 1979. One must recognize that this is only the initial phase of the creation of a common market linking noncomplementary economies essentially exporting single primary products. In addition to this indicator we find, in regard to the changes in the structure of the Andean group's exports, the rise of the other LAFTA countries as a market for the Andean countries also relevant. In effect, these countries now receive 5.3 percent of Andean exports, while in 1970 their imports represented only 3.9 percent of the region's total exports.

As if to balance these increases in trade between the Andean group and the neighboring areas, during the same period a decline is observed in the relative importance of the EEC (from 20.2 percent to 14.2 percent) and of Japan (from 4.5 percent to 3.3 percent). Let us say that in the light of these data, while total trade volume grew during the decade, the Latin American market and the subregion itself became more important. As yet minor changes, but definitely dynamic.

The changes in the subregional and world-wide composition of the export structure by productive sectors for the first and last years (1970-1979) bring us closer to defining the changes occurred.

Discounting the effect of world oil exports, the other indicators show an interesting modification in the subregion's foreign trade structure. The percentages of primary exports are reduced, while exports of industrial products become more important.

#### Subregional Internal Trade

Bolivia. Its total exports to the subregion increased from \$4.9 million in 1970 to \$22.1 million in 1979, whereas imports grew from \$2.7 million to \$87.6 million. It is a rather negative balance and perhaps justifies this country's discontent with the Junta.

Colombia. Its total exports increased 1,613 percent in going from \$34.2 million in 1970 to \$552.3 million in 1979. Meanwhile, imports grew from \$23.7 million to \$164.8 million during this time, which is equivalent to an index of change of 695 percent. Its trade balance with Venezuela has been positive since 1972, and that with Ecuador throughout the period. In the case of Venezuela, the figures are proportionately determinant in Colombia's overall balance.

Throughout the series there is seen a correlation in the trade balance with Venezuela and Colombia's balance with the rest of the subregion. This was particularly favorable to Colombia in the last 4 years of the series under analysis, that is, 1976-1979, when trade with Venezuela determined more than 50 percent of the surplus within the subregion, both including and excluding petroleum.



Table 1. Venezuelan-Colombian Trade in the Andean Group, 1970 through 1979  
(exports FOB in \$000)

Year	Colombian Exports to Venezuela	Venezuelan Exports to Colombian		Balance Colombia-Venezuela	
		(1)		(1)	
1970	5,045	9,707	9,248	4,662	4,203
1971	7,448	10,801	10,784	3,353	3,336
1972	16,295	5,632	5,610	10,663	10,685
1973	21,217	6,403	6,373	14,814	14,844
1974	41,464	16,335	16,282	57,799	25,182
1975	89,587	21,193	12,676	68,394	76,911
1976	122,322	45,164	14,416	77,158	107,906
1977	216,646	122,175	13,285	94,471	203,361
1978	242,987	99,360	16,899	143,627	226,088
1979	451,907	172,834	36,432	279,073	415,475

Source: In JUNAC, socioeconomic indicators 70-79, tables CE-27 and CE-30

(1) Figures excluding fuels.

Ecuador. The case of Ecuador is similar to that of Colombia, in regard to its dynamic exporting to the region. We have already noted, for 1973 and the period between 1975 and 1977, margins greater than 110 percent in the Andean market, as the recipient of exports from this country. The principal reason for this increased participation is found in the increase in oil and fuel. Nevertheless, one could see an effort at diversification and promotion of exports to the subregion, which is especially significant for a relatively underdeveloped country. Particularly as regards manufactures and electrical and household articles, the export flow to the subregion has been gaining in importance in recent years.

Peru. Following a serious decline from a \$246.1 million trade surplus in 1970 to a deficit of \$1,063,000,000 in 1975, the Peruvian trade balance began a progressive rise, achieving surpluses of \$1,362,000,000 and \$1,525,800,000 in 1978 and 1979, respectively. This reflects the recent recuperation of the Peruvian economy, which nearly tripled its exports between 1976 (\$1,303,700,000) and 1979 (\$3,669,000,000). On the imports side, the application of an austere policy during the same period provided for a reduction in the total from \$2,377,700,000 in 1975 to \$1,356,300,000 in 1978, with a renewed rise to \$2,144,100,000 in 1979.

Venezuela. Venezuelan exports to the subregion increased from \$25.9 million to \$202.2 million during this period, if we include fuels in measuring the total. Excluding this item the figures are \$10 million in 1970 and \$52.1 million in 1979. Despite the fact that it quintuples if we exclude petroleum, Venezuela's capacity for export diversification is very insignificant compared with countries like Colombia and Peru, and even compared with Ecuador, whose sum at the end of the period is double that of Venezuela, despite being similar in 1970. In other words, Venezuela, aside from its oil marketing,

has had a considerable trade deficit throughout the period, even though the importance of exports to the subregion rose from 3.6 percent in 1970 to 7.6 percent in 1979.

This balance for Venezuela could give credence to the complaints against the Pact on the part of the private sector and especially industrialists. By all means a larger balance is needed, incorporating:

1. Markets other than the Andean market accessible to our industrial exports, using the competitiveness of Venezuela in those markets and the possibility of participating in them without sacrificing the institutional and operational advantages that could be preserved in the Andean Pact.
2. The immediate importance of the Pact as a petroleum market, amounting to \$150 million for 1979, but with increasing requirements in this decade. This factor should be considered in the light of the recent change in the outlook for the industrial petroleum market, where the trend may be for a market characterized by strongly competitive supply.
3. Exploiting the advantages of the Pact for industrial lines in the export trade, in the Venezuelan case. Examples would be iron and steel production on the upswing but with difficulties because of a contracting internal market, and the construction industry, whose installed capacity and technological development are congruent with the needs of the Andean region's infrastructure and the petrochemical industry, along with an industrial program as a mechanism of the Agreement, whose revision offers unquestionable strategic advantages for Venezuela.
4. The capacity provided by alliance in a common market to negotiate with third parties. This has already been visualized in negotiations with the United States and the EEC. Meanwhile, Japan, Canada and China are also showing an interest in more specific negotiations with the subregion.
5. The geopolitical advantages that it would share with the member countries in a strengthened economic community, whose geographic, demographic and cultural dimensions would make it comparable with countries like Brazil and Mexico.

#### Conclusions

We have reviewed very specifically the evolution of export trade within the member countries of the Cartagena Agreement. To these considerations one ought to add such important aspects as:

- a. The evaluation of the Agreement's mechanisms and the correctives foreseen in the reactivation.
- b. The importance of trade with the industrialized countries, whose trade balance has declined for the group, as an export and import market, but remaining determinant as a supply group for the subregion.



c. The industrial development of the Agreement: We already know that the strategy has been unsuccessful from the point of view of its essential industrial objectives. The industrial program, beyond any doubt, reflects an unrealistic optimism. Nonetheless, we have shown significant results in foreign trade and trade within the subregion. It is fitting to redefine the Agreement's industrial strategy so as to make the policy of integration more amenable to the comparative advantages in operation and to orient the industrial development of the countries in accordance with their resources and production. One must also consider the most congruent and active use of instruments such as the decision on industrial rationalization.

Many other factors would round out the overall analysis of Andean strategy. In regard to trade and the development of exports, we can point out the following conclusions:

1. In the international sphere, characterized by tendencies for recession and contraction, as well as for maintaining protectionism, the Andean Pact could help relieve international trade tensions through the balances of the Andean economies.

Table 2. Andean Group: Exports (FOB) by Productive Sectors, 1970-1979 (in percent)

Sectors	Subregion		World	
	1970	1979	1970	1979
Agriculture	33	13	24	16
Mining	12	4	17	12
Petroleum and Derivatives	30	19	56	64
Industry	25	65	3	8

Source: JUNAC? ANVARICO

Table 3. Andean Group: Structure of Trade with the United States, the EEC and Japan

Countries	Exports from the region percent of total exports		Imports to the region percent of total imports	
	1970	1979	1970	1979
United States	35.5	35.1	44.7	42.0
EEC	20.5	14.2	24.6	20.3
Japan	4.5	3.3	7.8	9.0
Total	60.2	52.6	77.1	71.3

2. Trade growth has been favorable to the region, consolidating a trade surplus throughout the 1970's. Oil exports by Venezuela and Ecuador are of considerable importance in this increase. Nevertheless, new export flows are strengthening the region's export capacity.

3. The development of trade flows within the subregion has ceased to be virtually insignificant for the member countries, to the degree that in the most notable cases it approaches or surpasses 10 percent. Bolivia and Venezuela must be excluded; the results for the former are negative, and for the latter they are of little consequence, aside from petroleum.

4. Trade at the Latin American level is becoming more significant in the subregion's figures. Positive tendencies are seen in the regional sphere, at a time of change, both in terms of economic agreements and in the development of trade between the most developed countries of the subregion, as well as in the order of political relations toward the region's interior.

5. A relative loss of competitiveness can be observed both in the subregion and in the Latin American region. Complementary products have made possible very important sectorial agreements, as in those for oil and energy led by Mexico, Venezuela and Brazil. Likewise, technological cooperation has generated significant transactions in iron and steel, petroleum and petrochemicals.

6. The experience of the Pact covers 10 years. The formation of large markets required centuries for the developed countries. Germany took 60 years to integrate itself. The EEC has taken 23 and still its last member, Great Britain, is debating between leaving and remaining, while Greece, Spain and Portugal push for admittance. Japan began to conquer markets after more than 70 years of industrialization.

7. The Pact's alternatives are, as we know well, diverse and historically unique. Reflection of other experiences could very well refute the strategists of foreign trade and Andean industrial development. Perhaps there is a combination of factors to weigh. Some, of an economic nature, require long periods of time and an economic culture favoring integration.

8. Finally, geopolitical aspects have become more important. Was the economy ever separate from politics? Economic development separate from the formation of states? Market control from the use of power? Latin America is an emerging territory. The Andean region is, within that territory, an area that enjoys undeniable geographic and historical advantages. Aside from the mechanisms, migratory movements indicate certain economic tendencies as important as trade flows. Once again the question is inevitable here: Are national development trends a necessary political obstacle within the integration agreements? Or, in the light of a certain vision, could they be convergent? We believe that economic analysis should also be nourished by this perspective, but not to postulate it and turn aside the validity of a theoretical focus. In the final analysis Viner's theory has built nothing, that of Lutz was useful to the Germans. That of Hamilton contributed to establishing the economic basis for the largest integrated market--the United States.

## GEOPOLITICAL IMPORTANCE OF CENTRAL AMERICA, CARIBBEAN UNDERLINED

Caracas EL NACIONAL in Spanish 12 Apr 82 p D-4

[Report on interview with Vice President Oswaldo Paez Pumar; date and place not specified]

[Text] Caracas, 11 Apr--The day in which a country establishes a system or a policy at odds with the principles defended by Venezuela will be the beginning of a process of deterioration in relations, with the natural drifting apart, said Vice President Oswaldo Paez Pumar.

The vice president conversed with VENPRES on the main features of national foreign policy, and he indicated the importance of Central America and the Caribbean for Venezuela from a geopolitical point of view.

He considered the "principle of legal liberty of states," which implies that relations between nations develop on the basis of equality (independent of different levels of development between the countries, and of economic, political and military capacities) as in the case of President Luis Herrera Campins policy in the North.

Paez Pumar indicated that legal liberty of states is also manifested in non-intervention, self-determination of peoples and the establishment of a new international economic order.

He also said that by constitutional mandate Venezuela encourages the search for peace and international social justice.

"We know that only contact between nations produces the phenomenon of mutual relations. Peaceful means and an active political presence have characterized us before the other nations of the world as a system of political, social and economic life agreeable to the interests of humanity," he stated.

For Paez Pumar, Venezuela is active in all of its international relations, and there is an area of primordial interest that "obligates us to give greater importance to those who are our closest neighbors, Central America and the Caribbean."

[Question] Is it a gratuitous cooperation, or is there some political compromise?

[Answer] It would be better to think in terms of whether or not there are conditions on the aid. We could say that there are no conditions but it is not unconditional.

[Question] Will Venezuela continue cooperating with Nicaragua if that country definitely declares itself Marxist?

[Answer] We are not going to support anything that goes against our own principles. The day in which a country establishes a system destined to clash with the precepts that we defend will mark the beginning of a process of deterioration in relations with that state, and, as a consequence of that, there will be a natural drifting apart.

[Question] Specifically, is that the situation with Cuba?

[Answer] That is an example of what has occurred not only in the past, but recently, in that they maintain this situation. It would appear that they do not accept the possibility that someone might disagree, and that reflects an antipluralistic attitude.

According to Paez Pumar, if one's ideology calls for imposing one's own way of thinking on others, then permanent friction will be the result. If, on the contrary, one respects other ideas, then he is on the way to achieving an understanding.

He stated that an important aspect in the development of a country's foreign policy is loyalty to its principles without imposing them on other regions. "One cannot expect that everyone will think alike in a multiple of pluralistic world. That is the difference between the true democratic calling and false democracy."

[Question] And Venezuela's position in El Salvador?

[Answer] We are maintaining our programs for economic cooperation and political support to the process that is proceeding in search of a peaceful solution.

9746

CSO: 3010/1570

## VENEZUELAN AID TO CARIBBEAN AMOUNTS TO 87 BILLION BOLIVARS

Caracas EL NACIONAL in Spanish 12 Apr 82 p D-4

[Text] Caracas, 11 Apr--Venezuelan cooperation in the area of the Caribbean and Central America in the last 8 years amounts to 87.5 billion bolivars, according to Foreign Ministry sources.

In December 1974 the Venezuelan Investment Fund signed two contracts with the central banks of the countries of Central America and Panama, importers of Venezuelan oil, and thereby began the first program of financial cooperation.

Thus began the approach to the Caribbean and Central American area, fulfilling a part of the Venezuelan National Constitution that sets forth international cooperation with other nations as one of its fundamental objectives.

In August 1980 Mexico, an oil exporting country with foreign policy interests similar to those of Venezuela, decided to enter into joint participation in a new overall program to supply crude oil to the regions already cited.

In this way was established the second cooperative program agreed to by the presidents of both countries in a meeting in San Jose, Costa Rica, by means of the Declaration of San Jose, which provides for 50 percent of petroleum requirements.

Given that the second program was to be in effect for 1 year, to be renewed annually with previous mutual consent, the Venezuelan president, Luis Herrera Campins turned to his colleague, Jose Lopez Portillo, in July 1981, and proposed to him that the plan be extended for another year.

In the second meeting of the "Caribbean group," held in Washington in June 1979, Venezuela, with the purpose of formulating its assistance to the Caribbean region, committed 50 million bolivars in financial aid in the form of concessionary conditions to the countries of the area.

These resources were contributed by the National Executive through the Ministry of Foreign Relations, and constitute the so-called "special fund for the Caribbean," to be used in granting financial assistance.

The fund's resources were designated for the implementation of programs that may significantly effect the development of the countries of the region--the beneficiaries of the fund--by means of the establishment of monetary deposits in the central banks or similar institutions in the said countries.

The resources on deposit in the central banks or their equivalents were designated mainly to finance long-term loans, projects and development programs in the countries of Central America and the Caribbean area.

Venezuelan efforts in international cooperation have been planned, especially with regard to the Caribbean and Central America, in fields or areas of assistance involving finance, economics, technology, science and culture, the planning being based on one of the fundamentals of foreign policy--that known as the principle of international social justice, as disclosed by a Venezuelan Foreign Ministry source.

9746

CSO: 3010/1570

## EEC DELEGATION ARRIVES, SIGNS AGREEMENT

FL281720 Belize City Domestic Service in English 0100 GMT 28 May 82

[Text] A delegation of the European Economic Community [EEC] led by Dr. Erich Wirsing director for coordination of aid policies and programs in the EEC's directorate general for development, including the commission's delegate, is visiting Belize. He arrived here on Tuesday and [words indistinct] the delegation met with the Belizan delegation headed by the Hon George Price, prime minister, minister of foreign affairs and minister of finance and economic development.

The exchange of views conducted in a friendly and constructive atmosphere, dealt with the establishment of the objectives of the program of EEC's cooperation with Belize over the nearly 3-year period of the second Lome convention.

The government [of Belize] was informed that there was an amount of almost \$15 million dollars [type of currency not specified] was at the disposal partly in the form of grants and partly in the form of loans for its national development program.

Additional resources were also available under the EEC Caribbean regional program. In addition it was announced that a representative of the European Investment Bank would visit Belize at a later date with a view to discussing the scope of activities of the bank within the framework of the Lome convention.

The major sectors to benefit from the EEC development fund input would be education and housing. The broad lines of the above program of financial cooperation for 1982-1984 resulting from the discussion, were signed by the prime minister, the Hon George Price on behalf of the government and by Dr Erich Wirsing, leader of the mission, on behalf of the EEC.

The ceremony took place immediately after a luncheon hosted by Prime Minister Price at which he underlined his government's support for the north-south dialogue and, hence the importance he attached to close and frank links with the EEC.

The prime minister highlighted the two-way cooperation between equal partners which was now firmly established in the framework of the second Lome convention to which Belize acceded in early March 1982.



## INADEQUACIES OF FOREIGN MINISTRY OFFICIALS NOTED

La Paz PRESENCIA in Spanish 29 Apr 82 p 3

[Text] A move in the right direction is beginning in the civil service: to hold competitive examinations, based on a merit system, for appointments to posts requiring specialized training. If fairly applied, this system will produce a better qualified bureaucracy and more competent government officials and will protect more effectively the interests of the public and of the state.

The problem of our diplomatic representatives, at all levels, must also be raised insistently on the basis of this development which we have mentioned. In their case, one must remember that our foreign missions normally have to deal with matters which are of greater significance for our country and have more widespread repercussions than the usual activities carried out by civil servants working in the internal administration; also, these people can be directed into the right track by their superiors and through a system of supervision where swift action can be taken, something which is not always possible in the case of diplomatic and consular activities.

Therefore, our diplomatic and consular representatives should be selected most carefully to stop what has happened often when the interests of the country were not adequately protected. The exact opposite has been happening for many years with appointments being made not on the basis of competence but of party membership, of affiliation to one group or other, of friendship, family ties, unjustified recommendations and so on.

When this happens, career civil servants are relegated to unimportant positions while career diplomats--the career exists in theory--are not respected in practice and their specialized training--normally requiring effort and money--is not taken into account and adequately put to use.

The results are well known: some diplomatic representatives keep silent when they should speak out and speak when they should keep silent; they do not have the qualifications to perform their delicate functions and sometimes they adopt ridiculous positions which lead to official complaints from the host countries.



The foregoing observations apply to everybody, from those in top positions down to the attaches who, it goes without saying, should be experts in the specialized fields to which they are assigned. The attaches are the ones who very often are practically good for nothing although they get paid in dollars and are entitled to highly valued duty-free privileges which, strangely enough, are extended even to people who hold honorary posts. There have been cases of cultural, press, commercial and other attaches who do absolutely nothing to discharge their duties simply because their incompetence prevents them from acting in a field which is unknown to them and, therefore, full of risks.

There are special cases where people with a special training and vast educational background can adequately perform high diplomatic functions without being career diplomats. But even in such cases, these men require help and support from career officers. This is inevitable because today's diplomatic and consular relations are complex as a result of the increasing number of international agreements, treaties, regional and international agencies and all the different kinds of relations.

All this can be summarized in one sentence: one must avoid improvisations which are so costly for the country.

Therefore, the Ministry of Foreign Affairs should disclose the composition of our diplomatic missions abroad. With simple information we could establish that something is not right in more than one case perhaps. The same method should apply in the case of new appointments where obviously unexpected names will appear and will make you realize immediately that the factors coming into play are not the most commendable ones from the viewpoint of the national interests even if they are so from the standpoint of friendship, family love and group solidarity.

In many cases, releasing this information will help to prevent abuses and will make some persons change their mind about seeking posts for which they are not qualified.

8796

CSO: 3010/1517

## PRESENT EXCHANGE RATE POLICY VIEWED AS SPECULATIVE

La Paz PRESENCIA in Spanish 28 Apr 82 p 5

[Text] (ANF)--According to a report issued yesterday by the National Chamber of Commerce, the current practice of having a fixed exchange rate for the state and a floating rate for the private sector is doomed to fail.

The report which was read by Jose Pineli, president of the National Chamber of Commerce, underscores the fact that the floating rate of exchange is being used for speculative purposes to such an extent that it creates an inflationary surge which cannot be curbed and which is making social tensions more acute.

The National Chamber of Commerce calls for this mixed system to be replaced as soon as possible by another system that will stabilize the currency and will establish an exchange rate different from the floating rate now applicable to the entire private sector. The argument put forward by the National Chamber of Commerce is that "a floating system causes more harm and tensions than benefits" in a social and economic structure "as weak and as vulnerable" as ours.

The National Chamber of Commerce states that since the end of last year, "commercial activity has completely stopped all new operations" and the effects of this development have already resulted "in a shortage of supplies reaching the country and affected the survival of enterprises" many of which are on the verge of closing down and have even been forced to dismiss their employees.

The report explains that many companies are unable to meet their foreign currency debts contracted abroad; this means that Bolivian companies no longer can count on foreign credit to carry out their operations.

The Chamber of Commerce also notes that as a result of the shortage of goods obtainable by legal means in the country, there is growing black marketeering.

"The social tension, due to mostly justified causes, is leading to wage adjustments which are not backed by relatively safe forecasts of future operations."

It adds: "Lack of liquidity means insolvency" and is leading to "the ruin of a large sector of the import trade."

It also notes that by demanding that payments be made in foreign currency, the Customs Service is helping to bring about a "dollarization which disregards the exchange value of our currency."

It complains about the lack of an official policy on how to handle the accounting of foreign currencies acquired in the parallel market.

It describes "the immediate future as being uncertain" regarding the volume of operations which commerce will be able to carry out under the present conditions of instability.

It is critical of the lack of information and the government's rigid attitude about what should be done, "all of which gives no indication that there is a program to correct the equilibrium."

The National Chamber of Commerce calls for the adoption of, at least, some measures needed to lessen the impact of the floating rate and "to prevent a collapse that will have very adverse effects on the level of economic and social activity and on the revenues received by the General Treasury of the country."

The Chamber of Commerce has proposed steps to prevent the currency exchange market from being manipulated by the marketeering mechanism.

It has also made proposals to curtail the speculative process which is now the norm in the money exchange market.

It has also asked the government to abandon the floating exchange rate system as soon as possible and to introduce a fixed rate system.

It has also proposed that the Central Bank intervene in the foreign currency market to establish an equilibrium and to counteract the speculation current which is controlling the exchange rates.

8796

CSO: 3010/1517

## RIBSA CASE SUBMITTED TO COMPTROLLER'S OFFICE

La Paz HOY in Spanish 23 Apr 82 p 5

[Text] All the necessary documents dealing with the unsuccessful move to purchase the RIBSA Textile Company have been sent to the Office of the General Comptroller of the Republic where the entire issue will be studied, Defense Minister Jorge Aguirre Echazu announced yesterday.

General Echazu told the press that his office had handed over the necessary documents to show that the government, and more particularly his own office, are absolutely determined to dispel any doubt which might exist regarding this purchase which was cancelled by presidential decision.

The purchase of the RIBSA Factory was carried out by emergency decree and it was voided by decision of President Celso Torrelío Villa on the grounds that the purchase was not in the best interests of the state.

The defense minister talked to the press about this question soon after Navy Capt Edmundo Pereira Torrico took office as the new undersecretary for maritime, river and lake resources.

He stated that the country's military establishment undoubtedly needed to have its own textile plant to manufacture uniforms for its troops.

He explained that this is why the Armed Forces Corporation for National Development (COFADENA) is conducting a preliminary feasibility study to prepare a well-defined project dealing with this matter.

Minister Echazu Aguirre said that this project will depend, first, on the country's economic situation and, second, on whether the project is in fact a good financial venture for the military establishment.

He said that as long as he is in charge of his ministry, all purchases approved by it will comply with the legal formalities and that approval will be given to the best offers made by interested companies, enterprises or individuals.

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CSO: 3010/1517

## BRIEFS

COMIBOL EXPORTS--The Ministry of Mines reports that the Mining Corporation of Bolivia [COMIBOL] exported \$10,233,337 worth of ores during January. According to the Mining and Metal Statistics Report, zinc represents the main export product of that state-owned company which exported 3,926,878 kg of pure zinc valued at \$3,805,737. Sales of silver compounds resulted in earnings of \$2,465,812 which is the equivalent value of 9,248 kg of pure silver. Also, 155,682 kg of pure tungsten were sold for \$1,848,528. During January, COMIBOL sold 89,568 kg of pure ores worth \$1,357,000. In this respect it should be made clear that COMIBOL exports very small amounts of tin because the bulk of its output goes to the National Foundry Enterprise which exports it as metal. [Text] [La Paz HOY in Spanish 23 Apr 82 p 5] 8796

CSO: 3010/1517

## DAILY COMMENTS ON GALTIERI'S FUTURE POST FALKLANDS DEFEAT

PY032203 Rio de Janeiro LATIN AMERICA DAILY POST in English 3 Jun 82 p 4

[Editorial: "Is Galtieri Popular?"]

[Text] As crazy as it sounds, it is not altogether inconceivable that Lt. Gen. Leopoldo Galtieri, who launched Argentina into the mad war for the Falklands, could come out of the military defeat in a stronger political position than when he started. Despite the fact that most observers--including us--expected that with a clearcut British recapture of the islands Galtieri would probably be overthrown by other military officer, there now is reason to speculate that that might not happen.

It's true that there must be many dissatisfied officers in the Argentine Armed Forces. The air force commander, whose men showed the only real brilliance during the fighting on the Argentine side, has come out of the war with improved prestige. Nevertheless, the army still has the power in Argentina and Galtieri may be able to deflect criticism about the defeat by explaining it as the inevitable consequence of a Third World country taking on a NATO nation supported in depth by the U.S.

That kind of reasoning could actually make Galtieri look like a hero in Buenos Aires to the masses. The ploy would be that the general was the only Argentine leader in 150 years who had the courage to take on the British despite the overwhelming odds. It will be conveniently ignored that the adventure was futile, spurious and disastrous.

Galtieri, who shows clear signs of wanting to assume the role of the heroic national leader with populist overtones ala Juan Peron, may just be able to pull this off.

There will be some scapegoats--probably Gen Mario Menendez, the man who had the distressingly bad luck of being named military governor on the "Malvinas" during the Argentine occupation. He and a few other upper echelon officers can be blamed for the military defeat taking the heat off the junta and Galtieri.

At the moment, within Argentina there doesn't really seem to be any serious criticism of the junta for launching the occupation. That may seem strange but is understandable in the context of Argentine history. The Malvinas-Falkland issue has been festering for 150 years. The attempt to take them over is commendable from the point of view of the man in the street; it just was unfortunate that Argentina was not sufficiently strong to hold them.

If Galtieri does emerge a more popular figure, there is every possibility that he will begin to assume a yet more populist posture. That certainly would mean more participation in the government by some civilian sectors, especially the labor unions which make up the bedrock support of Peronism. Whether or not this would be good for the nation is tough to predict. The military, it must be remembered, came to power specifically to rid Argentina of the mess made by the Peronists. Jumping back into bed with them at this date might be the political price that has to be paid for the military disaster, but one that Galtieri--who has shown clear signs of liking power--might deem acceptable.

The convolutions of Argentine politics are such that no very precise scenario can yet be discerned. But if Galtieri, indeed, does rise out of the ashes of military defeat on the Falklands, what looked like a simple although costly police action by Great Britain may turn into the South Atlantic equivalent of the 30 years war. Already the Argentines are talking about having lost "only one battle" in the "never-ending" effort to recover the islands. If Galtieri really represents that Argentine national mood, we have not heard the last about the Falklands, not by a long shot.

CSO: 3020/131

## MINISTER OF EDUCATION RUBEM LUDWIG INTERVIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 May 82 p 5

[Interview with Minister of Education Rubem Ludwig by O ESTADO DE SAO PAULO in Brasilia; date not given]

[Text] The minister of education began 1981 with 4.2 percent of the general budget of the country and arrived at the end of the year with 7.5 percent. He began 1982 with 5.3 percent of the general budget of the country and seeks to end the fiscal year with more than 8 percent. Overall federal funds for the area of education and culture today represent 9.07 percent of the country's budget and will certainly exceed 12 percent by the end of the year.

In approximate numbers, and taking into consideration the funds that can really be handled by the Ministry of Education and Culture [MEC]--they are entered under the heading of OCC (other costs and capital)--without including personnel costs, the budget went from nearly 40 billion cruzeiros in 1981 to 125 billion cruzeiros in 1982, also excluding credit operations. Taking those outlays and personnel costs into account, the MEC will have a budget of 420 billion cruzeiros this year.

Fifty percent of the available budgetary funds are destined for basic education. It is the real handling of this budget that Minister Rubem Ludwig is watching, as he has repeated on his frequent trips to the states. In Brasilia this week, the MEC planning agencies will conclude the guidelines which should be observed in the application of funds they are already negotiating for 1983. In addition to basic education, the document the minister will present 19 May to 210 executives of MEC agencies, including those of the federal universities, gives priority to postgraduate operations "with emphasis on improving graduate education and first and second level education."

"The guidelines mention the improvement of university administration, development of projects which are compatible with the regional interests of the university, integration with the first and second levels of education, the improvement of ties between the universities and isolated educational institutions, and the reorganization of research and postgraduate work to feed back into education and create technologies which are adapted to the Brazilian situation.



Basic education, however, warrants the greatest amount of attention in this new document of guidelines. The MEC also confirms the existence of 70 percent of the children under 7 years-of-age, who lack the essential means for their development. It confirms that 33 percent of the children between 7 and 14 years-of-age--nearly 7 million of them--are not included in the educational process. Of those registered in the educational process, 60 percent do not go beyond the 4th grade in the first level and only 18 percent reach the second level.

Teaching at the second level takes care of only 14.42 percent of needs because of a population of 13.3 million persons in the age group of 15 to 19 years, 1.9 million are registered in the regular educational system. The MEC also concludes that more than 2 million Brazilians aged between 19 and 28 years, would like to obtain a first level diploma at a supplementary level and that there are nearly 3 million students who could be considered as a real demand for a second level education on a supplementary level.

That situation is described as a challenge, and the guidelines, in addition to repeating the activities scheduled for 1982--attention to preschool children, integrated education and health activity, increase in the number of schools, appreciation of the middle level professionals, and preferential treatment for needy groups in the urban and rural areas--confirm the placing in practice of a new program of basic education. For teachers there will be a special training project together with the new pay policy the MEC is negotiating with the economic sectors of the government.

#### Basic Education, Permanent Goal of Ludwig

Today, Brazil is undergoing a situation it is handling with political, economic, ideological and philosophical theories and principles typical of a situation of the 19th Century. This is what the Minister of Education and Culture Rubem Ludwig thinks, as is revealed in an interview he granted O ESTADO in Brasilia, in which he suggested a search for theories and principles for the present time and situation.

Indicating that basic education is the main and most acute problem being faced today by the government and society, the minister of education admitted the inefficiency of the social policy practiced in recent years, attributing the delay in obtaining positive results to the underdevelopment of the country, where there is a lack of financial and human resources and infrastructure.

Rubem Ludwig announced he had ordered a nation-wide survey on the values the Brazilian society wishes to preserve. He reported that censorship is exercised now on the basis of diffused criteria. He described himself as a democrat, and said it would be difficult not to opt for a military career in November 1982 when he completes 2 years performing civilian functions. Rubem Ludwig has the three stars of a brigadier general.

Question: You are concluding 18 months as the head of the MEC. Can it be noted that you obtained a more serious treatment from the authorities of the economic area for this social area, which has already been the object of jokes by technocrats of SEPLAN [Planning Secretariat]? Actually, the MEC budget was practically tripled. Is there a Ludwig style of relationships with SEPLAN?

Answer: I do not know whether the work style I have is new or not and I confess I do not know the styles of the other ministers of the social area with respect to other government agencies and ministries. My working method results from my personal position, my temperament and my previous relationships with those ministers. What I do observe in all the social area ministries is the same willingness, the same interest and zeal in seeing to it that all affairs in that area have a treatment which the Brazilian situation demands. Moreover, it would not be fair to attribute more zeal to ministers of other areas than to those of the social area.

Question: Why does the government require efficiency in the social area and does not demand it from the economic area in budget discussions?

Answer: Things are more specific in the economic area. There are even conditions for mathematically evaluating performance. There is no evaluation of performance through numbers in the social sector. The problem of basic education, which is the main problem being faced by the Brazilian Government and society, is today an example. When will it be possible to measure the results of the investments made in that area? Basic education is a legal responsibility of the states and municipalities and the MEC has a supplementary action. Basic education begins with the activities of the mother within the home. There is a maturation process for everything that was accumulated throughout a time in history. If education were an island of development in this country, it would probably no longer be underdeveloped. Education is the reflection of Brazil.

The action of development of a country is integral and education is part of it. The ideal thing would be for it to be the driving force of the process because it affects the citizen from the beginning of his life. Unfortunately, it will not be possible to obtain a useful and efficient system in the short term and we still have millions of children who are not in school.

[Question] Has the government been incapable of resolving the problem in the social area detected many years ago? Children not in school, shortages in housing and health, alarming infant mortality rates, inadequate medical treatment, all that is known from very old reports.

[Answer] Actually the problem is one of efficiency. Efficiency results, however, from human resources, which are insufficient, from financial resources, which are insufficient, and from the infrastructure of the country. We are still linking state capitals to Brazil itself.

The millions of children out of school, for example, are an old problem and it can be said that it has not been met with the desired efficiency. However, we are going to look for the causes because the size of the problems is compatible with the size of the country. This is a problem which exists in a country of 120 million inhabitants who live in 8 million square kilometers of territory. No matter how much priority a country attributes to education, and no matter how much international agencies recommend percentages for education, the problem will not be resolved only by that. In Rondonia and Acre, for example, until Highway BR-364 is put into operating condition, which will be at the end of 1983, school lunches will arrive by helicopters. The teacher will have to be found in the area of the

school in the middle of the jungle, because it will not be easy to find a heroine with a good degree of training who is willing to isolate herself from the world. Efficiency of education, therefore, depends on huge expenditures in other areas.

[Question] Is the increase in resources for the MEC in 1982 going to be repeated in 1983?

[Answer] Undoubtedly. We are still in contact with the SEPLAN and I expect that by 1983 we will have a significantly larger allocation. It is not only a matter of the rate of inflation, but rather I believe that the social area should receive more and the government is convinced of that.

However, it is necessary to even create conditions of infrastructure so that in certain regions we may develop education. In the Northeast, for example, there is already a very good road network and we are now engaged in the area of improving the human resources so that the teachers will have a more suitable training. We transferred 52 percent of all basic education funds to the Northeast by means of overall agreements with the states. For example, Piaui received 180 million cruzeiros for the first level in 1981; this year it received 1.8 billion. Ceara received 2.5 million cruzeiros, while Parana received 1.1 billion. I intend to have a first evaluation by the end of the first 6 months of what has been achieved with that major influx of resources and technical assistance.

[Question] Is the statement of absolute priority for basic education being realized in practice?

[Answer] In terms of resources, yes. The evaluation will show whether the application of them is being useful or whether we are going to have to change many things. Basic education is the great problem of the country, the problem which contributed to the growth of the urban slums of the great centers and the increase in the number of underprivileged.

Of 100 children who enter school, only 17 finish the 1st level and half of them remain in the first grades. The problem is serious and something must be done.

[Question] Do you place underdevelopment of the country among the reasons for the minor results obtained in the social area in general, and in education in particular?

[Answer] This is a country under construction, with the size of problems in keeping with the size of the country and with an amount of resources compatible with an underdeveloped country. This makes the allocation of priorities a delicate matter. No matter how much priority an activity may have, it is necessary to make the rest of the country function.

The MEC today may perhaps have the best budget in the republic. In personnel alone the MEC has a budget greater than the entire Ministry of the Army, including personnel, materiel, ammunition and gasoline. The MEC has more than 140,000 employees.

[Question] A year and a half after being in daily contact with performers, soccer players, students, teachers, scientists and other liberal groups of society, has the thinking of Minister Rubem Ludwig changed?

[Answer] Not as a person. As a minister, yes. As a minister I went on to have a more direct and profound contact with the areas about which I only knew existed and possibly had a little more information than the average citizen because of my previous place of work in the Presidency of the Republic. But that was nothing like living in the Ministry. However, as a person I did not change because in considering my life plan the things which move me did not change. The knowledge of problems did change and in some cases in a positive way. For example, the picture that exists about education in Brazil is unfair.

[Question] Why?

[Answer] It is the result of a state of mind which results from sociological problems. We are today living in what is perhaps a third wave, as Alvin Tofler called it, and we are administering with values of the second wave. All our political and philosophical values and economic theories were basically generated for a situation which came from the 19th Century for responding to events generated in the midst of the industrial revolution. Those doctrines have been in effect up to now and we are now faced with another advance in the world.

[Question] How can that type of anachronism be overcome?

[Answer] That is the great challenge to humanity. We are all seized with perplexity: The volume of information which comes to us, the speed of communications, satellites, data processing and the development of electronics, are all new factors. There is a maladjustment between a number of theories and principles and a new reality. I believe Brazil seeks to define an ideology. We are influenced by ideologies generated long ago, most of them created in the 19th Century.

[Question] Does the minister of education have an ideology?

[Answer] My ideology would be democracy. I am a democrat who seeks to adapt that concept to the new reality we are living. We have many values which rule our actions and decisions and which are still the results of the French Revolution. I no longer see any sense in the intransigent, absolute and radical defense--which sometimes leads people to throw rocks and eggs at those who think in a different way--of values which are being questioned in their areas of origin.

[Question] Does the government you are serving have an ideology?

[Answer] I believe the ideology of the government is the one I expounded. The process of liberalization is an indication of this.

[Question] Of the crises enumerated by President Figueiredo on Labor Day, two of them are linked more directly to the MEC. Are you doing something to overcome the scientific crisis?

[Answer] We have done much. We had a highly productive meeting with Brazilian scientists, in which even the president of the SBPC [Brazilian Society for the Advancement of Sciences] and the presidents of financing agencies participated, to discuss the problem. In the MEC, the problem is located basically in the area of postgraduate work and research. We confirmed that we had been doing things in a somewhat disordered manner in Brazil. Financing agencies such as the CNPq [National Scientific and Technological Development Council] and FINEP [Funding Authority for Studies and Projects] took isolated initiatives, sometimes superimposing themselves, leaving the MEC out of some activities in which it had responsibilities. We are seeking a coordination so as to perform a consistent work. We have more than 1,000 postgraduate courses and about 15 percent are of good quality. What has been done will perhaps surprise Brazil, but we still have a large amount of alienation. As a rule, our researchers take extension courses abroad and it is natural that they bring back images and models which are not always in keeping with the situation of the country. If we continue to transplant models, we are going to continue to witness their rejection, whether it be by the social, political or economic body. That is the reason for our effort in reorganizing the university so that it will also adjust to the situation of which it is a part.

[Question] Another crisis cited by the president is the moral crisis and the MEC even has a Council on Morality and Civism.

[Answer] I had a meeting with the Federal Culture Council on this problem and I asked that they provoke a national debate on the ethical and moral values that Brazilian society wants to preserve at this time. Our censorship agencies fight with difficulty because the values of reference they must use to judge whether some work should or should not be exhibited are very all-encompassing in Brazil.

[Question] Then the government censors and does not know what it wants to preserve?

[Answer] It is another area an underdeveloped country does not have defined. It is a very impressionable society, very much influenced by values from outside, and it has not yet consolidated its values, or at least not yet formally established them. Our film Pixote was cut 10 times in the United States in the name of values that society does not yet accept. We never argued that. There is a group of ladies in Sao Paulo who have taken one side. There is another group which even seeks to ridicule them. From my personal point of view, these ladies represent the majority of the Brazilian people. If a survey were to be made--and it could be one of the actions by the Federal Culture Council--I have no doubt that Brazilian society would show itself to be more demanding than certain critics seek to make one believe.

The government knows what it wants to preserve. That is why it acts with its censorship agency. There is, however, a certain discord. Why do we not hold a national debate so that it will be made clear what society wants?

[Question] Are you involved in the campaign of the PDS [Social Democratic Party]?



[Answer] I am not directly involved from the political-partisan point of view. I cannot be a member of a party. I continue to be a man on active duty and active duty military personnel are forbidden to have a party affiliation. Now, as a minister, I am a politician in the performance of a political function and the actions of the ministry which may be successful will surely contribute to a good result in the elections.

[Question] For 2 months you have traveled to the states every week. Is that a political campaign?

[Answer] No, it is an administrative campaign resulting from my method of work in the ministry. The year 1981 was one of definitions, reorganization of the administrative machinery and obtaining of financial resources. We intend 1982 to be a year of execution and I am going to check to see if what we planned is being put into effect, particularly in the priority areas.

[Question] Do you like this civilian function of being the minister of education?

[Answer] The task is fascinating, but highly wearying also.

[Question] Are you leaving the MEC in November?

[Answer] No one had any doubts when I took it over in November 1980 that legally I had 2 years to serve. I am the only military man performing a civilian function in Brazil. The three military ministers are in the reserves. Minister Venturini is performing a military function and Minister Medeiros is performing a civilian function of military interest, subject, therefore, to other legislation. I am the only one performing a civilian function and from a career point of view I am losing time.

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CSO: 3001/145

## PRINCIPLES OF UNWRITTEN SUCCESSION LAW EXPLAINED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 May 82 p 3

[Text] A sort of unwritten law on the presidential succession has been outlined in Planalto Palace, which for the time being has five articles which the main presidential advisers acknowledge and comment upon. This is a matter of a route map for the future, of a strategy to be followed, not a matter of decisions and impositions. That is why the law may be broadened or even changed, depending on circumstances. Its statement of purpose or preamble begins by establishing that since a little more than half of his term has passed by, Gen Joao Figueiredo cannot, does not want, and will not, bring up the subject. It is necessary, however, to have some preliminary rules, because once the polls are opened in November, and during the years 1983 and 1984, no other subject will attract as much national attention.

The articles or principles of that fluid law originated from a consensus of the highest figures in the Executive Branch, beginning with the president, and they are as follows:

1. The upcoming succession, when it becomes time to be watched over by the government, will have to take place politically and be open to national participation. It will no longer be isolated in palace conciliabulums. The search for a candidate will involve the actions of the PDS [Social Democratic Party] as the official party in the degree that its national convention decides and formalizes one of a number of possible options. National and regional leaders of the party shall express their preferences naturally, representing the rank and file, regions and social classes.
2. The president of the republic as such, and as a member of the PDS, shall not be left out of negotiations. He will not be left out, even expressing tendencies resulting from his view of the national picture, although because of the new times and political liberalization, he is not going to adopt impositive positions.
3. If there are no unusual situations, the next president should not be a general officer on active duty with the armed forces. The high commands share that point of view and believe the cycle of the general-presidents should come to an end with the return of the military to a position of vigilance within their constitutional attributes, watching over the preservation of order and maintenance of national security, as well maintaining a watch so that there is no birth of revanchism through the process of succession. Civilian or military in his origins,

the future official candidate must not be a product of the so-called system, those participating are the first ones to establish that requirement.

4. Confrontations and dissension among possible future candidates must be avoided within the government, although, democratically, all can compete for the nomination before the PDS delegates to the convention or prior to that. The division of the government in groups favoring nominee "A" or nominee "B" shall be inadmissible because the commitment is to unity of all around the one who has the best qualities.

5. Elections shall be indirect as determined by the Constitution, it being unreasonable to reestablish direct elections. The change in quorum for constitutional amendments from an absolute majority to a two-thirds majority, already proposed to the Congress, will give a guarantee to the government that in the future Legislative Branch the opposition parties, even when in the majority if joined together, will be prevented from promoting a change. At the same time, the government must endorse the proposal by Deputy Edison Lobao, prohibiting members of a party in the Electoral College from voting for candidates of another party. Therefore, with the PDS remaining the largest party, even though without a half of the total plus two presidential electors, the victory of its candidate will be assured.

It is worth repeating that those are the preliminary rules which are crystallizing in Planalto Palace. Others will be added with the passage of time but the basic idea should remain: The crowning of the political opening will be the succession to Gen Joao Figueiredo by a president originating in politics or appointed by politics without any prior conditions of another type except the warning that revanchists will not be allowed to become president of the republic.

What President Joao Figueiredo and his advisers do not want to talk about is names. However, since there is no doubt that one cannot fight against the nature of things, names are already being talked about and heard in all political and legislative circles.

If the presidential election were to be held this morning, that is, if Gen Joao Figueiredo had to reveal his preference and the PDS had to choose the one who best represented its hopes, the candidate would be Minister of Interior Mario Andreazza. Held as the positive aspect of the government, one of the few who carries out and inaugurates projects, traveling throughout the entire country, he also has the probable support of the military circles because as a reserve colonel he would be constantly alert against any revanchist prospects of taking his former comrades to the defendant's bench. The congressional factions of the North and Northeast would almost unanimously lean toward him because of the actions by his ministry in those regions. When asked, he changes the subject but he does not deny the facts. He always prefers to repeat that the time has not yet come, that the government will need to act in unison and that any name emerging from the ranks of the Revolution should have the support of all.



Vice President Aureliano Chaves is another option because of the functions he performs and because he has replaced General Figueiredo several times, including under unusual conditions during the time of the president's heart attack, and because he is a highly competent politician. His reputation is not quite as widespread as that of Mario Andreazza and he is not sought out, as the minister is, by politicians and governors. He believes the time has not yet come and he goes even further: He says he is not a candidate for the Presidency of the Republic, but he does not exclude himself, that is, when the season is officially opened, he expects to see his name studied by the party and by Planalto Palace.

An alternative, on which there was once more talk than there is now, is that of former Minister Costa Cavalcanti, a man of military origins, a legislator in three legislatures and an administrator of proven merits, today heading ELETROBRAS [Brazilian Electric Power Companies, Inc] and the Itaipu Binational Company. Days ago, asked if he were not being left behind in the rumor mill, he replied with a broad smile that he who runs hard ahead of time becomes tired. He does not deny aspirations, since he is supported by the party-government-system alliance and he should become an increasing option as of March next year when the Itaipu Hydroelectric Plant goes into operation. A minister for Costa e Silva and Garrastazu Medici, he worked hard with Ernesto Geisel as he now does for Joao Figueiredo.

Within the five principles mentioned, those are the names most in evidence today, because they are part of the presuppositions. Obviously there will be others, such as Paulo Maluf, running as an independent; Octavio Medeiros, if he survives a setback, and how many others?

8908

CSO: 3001/145

## HIGH LEVEL ARGENTINE OFFICERS SEEKING MILITARY EQUIPMENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 May 82 p 10

[Article by Roberto Godoy: "It Will be Difficult for Brazil to Sell Weapons"]

[Text] Argentina wants to buy aircraft parts, light assault tanks, rockets, napalm bombs and artillery ammunition in Brazil, in addition to components for radio communications systems immune to the electronic jamming imposed in the region of the Falklands [as published] by the Royal Navy. In addition, if possible, it would like to also buy fuel for missiles, the "Composite" propellant, whose formula prepared in the Sao Jose dos Campos research centers is held to be 30 percent more efficient than the international compound of that type. According to sources of the Buenos Aires embassy itself, six envoys, officers of the "highest level" of the Argentine forces, are traveling in the country, interested in making purchases.

However there are problems: The majority of the articles wanted are not of the "shelf-stocked" type, which means they are normally manufactured to order on the basis of carefully drawn contracts and not stocked until sold. Therefore, only government intervention similar to that which took place in the case of the sale of two EMB-111 aircraft belonging to EMBRAER [Brazilian Aeronautics Company] (Bandeirante turboprop maritime patrol type), which were retired from the Brazilian Air Force (FAB), inspected, repainted and delivered to the Argentine Air Force (FAE), would allow a quick answer to any request. That, however, is considered a "dangerous" factor by the Ministry of Foreign Affairs because it would mean the "clear and definitive involvement by Brazil" in the Falkland Island conflict. The Argentines are particularly anxious to establish alternate supply lines since on the international level only Israel is maintaining a flow of supplies. This week, for example, several crates containing complete turbines or replacement units for the subsonic Skyhawk fighters, inspected in Tel Aviv and electronically modernized by Israeli technicians, arrived at the naval air bases of Santa Cruz Province.

Prominent on the Argentine military list is the "family" of ENGESA [Specialized Engineers, Inc] products. The Cascavel EE-9 assault vehicle weighing 11 tons with a 90mm nationally-built cannon, would have applications in the Falkland theater of operations capable of expanding to the maximum its characteristics of a tank of strategic superiority. In the southern region, on the continent as well as in the archipelago, its speed (11 kilometers per hour), and the speed

with which it goes into action when it reaches the point of action, indicate that it is the armored vehicle suited for the probable battlefields. The Argentine Forces have nothing similar, unless it is the AMX-13 tank on treads, which is much slower and particularly susceptible to wear caused by sand on its two metallic treads.

Worse yet is the use of the TAM--medium Argentine Tank--a local version weighing 30 tons and developed from plans by the German company Thyssen-Henschel. On the broken terrain of the islands, where several armored brigades sent there at the beginning of the month are located, the mobility of that type of vehicle is greatly hindered.

Also seen at ENGESA were two models of the multiple-use amphibians Urutu EE-11 weighing 23 tons, the standard, armed with a 7.62 NATO machinegun and with accommodations for 13 armed men, and the model equipped with the same 90mm cannon as the Cascavel, which can carry four riflemen in addition to the crew of three. A third choice, the small and speedy Jararaca EE-3 weighing 5 tons, a command and reconnaissance car, was also considered "interesting." Each Cascavel EE-9 starts at a price of \$350,000 but that total can reach \$500,000 depending on the optional equipment such as the laser telemetry system, night vision intensifier, and frequency modulated radio transmitter. The Urutu EE-11 also has a wide variety of equipment ranging from a rapid fire antiaircraft cannon capable of firing 1,200 rounds per minute, to a missile-launching ramp for operation with the antitank Milan. The basic cost is \$250,000. The Jararaca EE-3, the newest in the line, is listed at \$100,000 in the standard model equipped only with a light machinegun.

#### Regular Supply

The Argentines are interested in creating a regular channel at this critical time for the supply of aircraft parts, attack aircraft primarily. Since ENGESA has a considerable tradition in that field, supplying parts to the Iraqi forces before the beginning of the war with Iran, that requirement was also placed on them. It happens, however, that "with few exceptions," not specified by either of those involved because of what is argued are security requirements, the company does not have the slightest prospect of meeting the emergency deadlines--something like the immediate delivery of a new car--established as prerequisites for the deals.

Also attractive for the Buenos Aires officials are the air-to-ground, air-to-air and ground-to-ground rockets made by AVIBRAS [Aerospace Industry] of Sao Jose dos Campos, which also produces the first Brazilian wire-guided antitank missile, the AV/X-1. They also want napalm incendiary bombs of 250, 375 and 500 kilos, made by that most mysterious of the national war materiel industries.

The "buyers" showed interest in the purchase of the Composite (sodium perchlorate mixed with a petroleum byproduct) solid propellant and in the line of artillery ammunitions made by IMBEL [Ordnance Industry] in the following diameters: 20mm, 37mm, 40mm, 57mm, 75mm, 90mm, 105mm, 127mm and 155mm, as well as 7.62mm NATO ammunition for Para rifles for paratroopers, mortar shells of 60mm, 81mm and 120mm; an entire range of infantry ammunition and antitank land mines, which are considered much more effective than the Argentine mines. In Rio de Janeiro, the

Argentines were at the MacLaren Shipyard, attempting the purchase of two fast missile-launching, mortar equipped boats. They were not successful. Contrary to the information they had, there is no vessel of that type available for sale in the organization. The last two recently completed boats were purchased by Chile, which certainly will not give them up.

In Sao Paulo, the group, or part of the delegation, viewed the only battle tank made in Brazil, the Carcara Xl-A2, which weighs 18 tons and is made by Bernardini S.A. It is equipped with an ENGESA 90mm cannon and has an operational range of 700 kilometers. The average price is \$550,000 and the minimum delivery time is 90 days after the signing of the contract.

8908

CSO: 3001/145

FINAL TELEVISION PRESENTATIONS BY CANDIDATES

Lopez: Social Welfare Themes

Bogota EL TIEMPO in Spanish 11 May 82 pp 1-A, 2-B

[Text of television address by Liberal Party presidential candidate Alfonso Lopez Michelsen, 10 May]

[Text] Good evening, friends of the television audience.

This is my final presentation and, for it, as for the previous one, I have selected the issues which most closely affect the Colombian audience: the economic problem and the social problem.

Today, I intend to concern myself primarily with the social issue, which some confuse with the labor issue, but of which the latter is only one sector.

In recent weeks I have been touring the country, and I have had great cause for gratification: not only from the fact that I have seen the squares filled with ardent Liberals following the party's official candidate, who gave him the win over the other candidates on 14 March, but, most especially, the fact that I have been able to exchange ideas with the forums scheduled from the time when the "preamble for the Liberal program" was drafted.

We met in Medellin with experts on the various topics, and people who had come from all parts of Colombia, and studied subjects ranging from problems of the ecology to the banking and financing conglomerates. And I really carried away a deep conviction that, in a manner that I would call miraculous and almost inexplicable, the party, without needing to collapse, has undergone a thorough renewal in its cadres and its ideas.

Listening to so many young men, so many women, so many people coming from the most distant corners of Colombia, who devoted entire months to the study of the problems, debating them together, drawing up the conclusions and submitting them, it seemed to me like a revival of those times of the Liberal Revolutionary Movement, when the SETT Plan was proclaimed. The SETT Plan, initials which have had success in our time, stands for health, education, housing, land and work. And the main object of our concern, regarding as a social problem everything included in the SETT Plan, from health to work or employment, I have seen implemented, developed and analyzed in its implications and solutions with unique skill by all these young people who accompanied me in the Medellin forum.

## Health First

To begin with health, health is, of course, the basic problem of the Colombian society. I always remember how the Bogota community was touched when a little girl bled to death for lack of an emergency hospital where she could have been treated, only 2 years ago.

Rightfully, the deepest fibers of our society experienced a kind of feeling of guilt at the fact that the mother who was carrying the child could not be helped owing to the lack of coordination, and the lack of systematization among the various public and private hospital entities.

Now then, this is part of what I shall concern myself with in a few minutes:

But I shall have to begin by calling your attention to the fact that, when I arrived in the government, there were 9 million Colombians, in other words, virtually a third of Colombians, who did not have care of any kind. And, thanks to the implementation of what is known as the National Health System, which is a system to which all the entities rendering health services must be subjected, and because a clear distinction has been made of the different levels of medical care, today 3.5 million Colombians who did not have such care in 1974 are covered for primary care.

And one of the promises that I wish to make tonight is to complete, with primary care, the care for those 9 million or more Colombians who in 1974 were missing the state health services with the private ones. This is not an unattainable goal; it is a goal which we are gradually reaching.

Of what does that national health system consist? It consists of categorizing the different degrees of care, care both in the rural and urban areas, for the ailments which can be treated by individuals who are not necessarily doctors nor specialists, but who can ascertain the seriousness of the illness that is afflicting the person who comes in search of a doctor. If that illness is more serious, it is referred to a higher institution, such as a regional hospital. And if it cannot be treated in the regional hospital either, owing to the features of the illness, that person is sent to the referral hospital or the university hospital of the respective region or department.

In this way, we are not confronted with the instance of people with a stomach-ache going to the university hospitals, or people with cancer going to health stations. Rather, through this system of categorization and systematic organization, all Colombians can hope to reach the different levels of care depending on the features of their illness. The same thing holds true with regard to the emergencies that I mentioned a moment ago. Having all the emergency sections of the hospitals interconnected by radio-telephone and with ambulances, so that when there is a repetition of the case, which I hope will not be repeated, of the injured child who bled to death, when the first health station is reached and the seriousness of the injured person's condition is learned, the individual treating him may send him to where a doctor is located, with a brief diagnosis of the features of the illness, so that no time is wasted in providing the treatment that is required.



In this way, with the national health system assigned under the direction of the Ministry of Health, coordinated for certain purposes with the Ministry of Education and the Ministry of Labor, we shall intensify the progress that has been going on for the past 8 years, with the aim that all Colombians will have medical care.

In the coffee-producing regions, remarkable gains have already been made, as part of the plan for cooperation between the coffee-growers' committees and the Health Ministry. And it is highly gratifying to observe, among the universal measures that exist for health improvement, that we are advancing little by little toward a goal known in the realm of the World Health Organization as the Alma Ata Program, to reach the year 2000 with all citizens covered by medical protection from the state or from private entities.

I said that there were encouraging indexes. The studies being carried out by the Health Ministry, and the survey on children, show that, in the past 15 years, 50 percent of children are born with far better features and develop under much more favorable conditions than those observed at that time, based upon some international measures called "the Gomez standards," named for a Mexican doctor, whereby the health and nutrition of children under 7 years of age are measured according to caries, weight and height. And 50 percent of the children who are born and grow up in Colombia are in far better condition than they were 10 or 15 years ago. To be sure, this could be the result of many factors. But I attribute it mainly to the care being given them by the Health Ministry, as part of the program to implement the national health system.

#### Policy for the Aged

On the other hand, new problems are appearing. For example, there has appeared the problem of old age, known as "the third age." And children have ceased to be born in the proportion in which they were born during the 1960's, and the family planning campaigns have caused a decline in the growth curve of births in Colombia from 3 and even 4 percent to 2 percent, which is the figure that we know at present.

But this new composition, this new pattern in the demographic composition of Colombia, has its consequences. There will be far more old people and far fewer young people and children, whereas during the past 20 years the proportion of old people was relatively slight.

And while we have concerned ourselves with childhood, with measures such as Law 27 issued under the previous government, whereby the CAIPS were created, not much has been accomplished in the area of the "third age," the area of the aged. In 1976, a law was passed creating a council on the aged, but the law was not put into practice. The council has not met, and there are on it representatives of private institutions which are beginning to be concerned with this grievous situation of reaching the age of 70 or 75 without assets, often without relatives, and frequently with relatives to whom the aged person is undesirable.

We must begin to devise a policy for the aged, so that, after they have reached 70 or 75 years of age, there will remain for them a future with interest in life,

in recreation, in attending the universities, and in visiting the day hospitals to have their ailments checked; in short, so that the curtain will not be dropped on life and so that we shall not leave them awaiting death with no future.

With an institution such as the one headed by my wife, Cecilia Caballero de Lopez, FUNDAMA, there has been undertaken the construction of apartments at very moderate prices, for rent, so that the elderly without families can live together, so that they may have their own supermarkets, their diversions and their recreation, and so that they may exchange ideas among one another.

But this, which is a private endeavor, must be converted into a state endeavor, as part of the Liberal goal of being concerned with all helpless people, whether they be children, the aged, those discriminated against because of race, such as the Indians, or those who are without an occupation and without permanent employment, such as the traveling workers.

#### Concerning the Retired

And speaking of the elderly, we must also mention those who are retired. Laws, such as Law 4 of 1975, have already been passed, protecting the retired against the deterioration of their pensions, and automatically adjusting the latter to the rising cost of living. There are also laws whereby a substitution of the pension is called for, upon the death of the spouse, transferring it to the wife, and it is applied to the female companion. But something still remains to be done, which I think will benefit millions of Colombians, namely, to be able to combine, for purposes of the pension, work in the public sector and the private sector for those individuals who reach the age of 55 after having worked for 20 years in a combination of the two sectors. For example, there is one sector from which he is owed part of the pension for the period in which he worked, as in the case of what is owed to a public employee by the National Insurance Fund, and another sector, for a different phase of his life, for which the Social Security Institute owes him for the period when he worked in the private sector. The two phases would be combined, the amounts would be combined, and there would be established a combined pension for those individuals who have not completed 20 years in either sector, but have completed them in combination.

I think that this is an extension of the policy for protection of retired persons which has been in effect since 1974.

#### Education

Let us now proceed to the second letter of the initials: the single vowel, "E" representing education, which is the key point in all Colombian development. Many people talk about the increase in budgets, the increase in bureaucracy and the slight public investment during certain periods, with the result that no public works ready for opening are constructed. But the figures on education show the herculean effort that has been made, as in the case of health, to attain coverage for all Colombians against illiteracy.

I hope that over the next 4 years it will be possible to put an end to illiteracy, and that with developments such as "Operation Simon Bolivar," we shall succeed in



finally abolishing that cancer of illiteracy which we have been overcoming with great success in recent years. It would suffice to point out to you the rise, the increase in the number of students: In the primary school sector, there has been an 11 percent increase, which is a figure close to a million when one considers the immense volume of students.

In secondary education, there has been a 44 percent increase, and in higher education, 82 percent in just 4 years; but it is still insufficient, and we cannot sacrifice quality for quantity in education. We must seek a means of making a follow-up on these statistics, and of arranging these problems of education within a certain framework, seeing to it that the government university and the government education recover the status that they held at other times, when they had 59 percent of the slots, in comparison with 41 percent for private schools on the higher level.

I want the public university, which is the least expensive, the one endowed with the best features, to which the research and education of the greatest number of students is directed, to become again what it was a few years ago: the university which everyone wants to enter.

#### Housing Problem

As for housing, it is an issue that we have debated considerably, one which I intend to discuss briefly.

There is no single solution to the housing problem. One cannot attempt to confine the housing problem to housing without an initial installment. As I remarked in my first talk, we have sometimes put it into practice for infinitely poor persons. In other instances, it will be necessary to have lots with services for self-construction, with storage places for materials in those same neighborhoods, to which those who undertake self-construction may come to purchase the materials on terms far superior to those on which they would have to pay upon purchasing those materials wholesale. They would be storage places under super-surveillance and financed by the state.

But there are other locations, as I observed from the experience in La Dorada and Supia, where the municipality itself builds houses to rent, for relatively short periods, at ridiculous prices, at 50 pesos per resident. Every house is very modest. The tenant pays for the public services, which are often worth more than the rent. But it is a solution for small settlements, a satisfactory solution which has been bringing very good results. But we could hardly propose for cities such as Bogota that they engage in building houses to rent at 50 pesos; just as we could not ask professional people to engage in self-construction on Sundays, with their friends, in order to have a dwelling.

We must seek solutions based mainly on the principle of financing, but different, depending on the social categories, depending on the regions, depending on the magnitude of the problems that are posed.

## Employment Problem

But the most important of all is "T" standing for work, in the initials SETT. In other words, it is the employment problem. We need employment for 600,000 young people who are wandering about the cities in search of work, and 100,000 migrant workers who are in search of the coffee harvest or, at another time, the cotton harvest, to work for a few months in different sections of the country.

Therefore, we need to create new sources of employment. Therefore we need to seek a means of finding work for them; and the first condition for work to exist is that there be economic development and purchasing power among the working classes.

With the anti-high price plan for the 13 products, which I explained during the last session, I think that it will be possible to release part of the workers' income so that they may purchase industrial goods and goods of other types that will afford a reactivation of the economy.

But along with these solutions there are others: Construction which, with the shortage of 650,000 dwellings, must be given an impetus so that there will be jobs in the cities; not necessarily with the UPACs [Savings Certificates with Constant Purchasing Power], without a ceiling, which concentrated the investment in four cities and for luxury housing, but with UPACs aimed toward low-cost housing.

There is also the possibility, which I cited in my previous talks, of recovering land that is now under water, so as to provide land and work for many peasants and many farmers who have now been displaced to the cities for lack of land and work.

But, in particular, there is the prospect of reactivating industry, the big industry, with the selective protection that we have mentioned, putting an end to the contraband, as I analyzed it in my previous talk; and the small and medium industry, with the program of the micro-industry, the micro-enterprise, that has been so successful in such cities as Cali (with the Calvajal Foundation), Bogota (with the Compartir Foundation) and Medellin (with the Fabricato Foundation).

Jobs could be created with sums seven times less than those demanded by big industry; they could be advised by SENA [National Apprenticeship Service]; and international loans could be contracted to create these jobs.

I am immensely optimistic about this possibility for companies consisting of one, two or ten persons to flourish in the country, as they have flourished in Brazil, with the backing of the state, with the cooperation of the private sector, and, in this way, successfully eliminating in part the unemployment which has been declining, it is true, but which has resumed intensely in recent months, particularly in the city of Medellin.

I think that, in order to improve the relations between workers and business owners, it is also necessary to deal with the terms of work. Certain topics referred to ambiguously in the code must be made clear: for example, collective

layoffs, the coexistence of the collective agreements and labor contracts within the same business firm, and the privatization of the ports, which some think of as being privatization of the port of Buenaventura or the port of Cartagena, whereas the problem, as I explained in Buenaventura, is confined to the construction of new ports with private capital, but ports subject to Colombian labor laws; because a government could hardly allow certain ports, owing to their status as private ones, to evade the work code and the provisions relating to ports and labor.

From Providencia to Leticia, there will be respect everywhere for all sections of the work code and the provisions supplementing it, in the case of the private ports; but the intention is to provide greater employment.

And in the case of the trade union movement, it is important that we attempt to direct the trade union movement toward industry trade unionism and not toward rank and file trade unionism.

The solution to the problem of bulk, faced with 6,000 rank and file trade unions, is very difficult for the workers and very difficult for the state. As a modern country we shall direct ourselves toward the industry trade union; and we shall also shorten the periods of direct settlement and conciliation, for the benefit of both the workers and the business owners.

#### Urging to Vote

Finally, and in taking my leave, I wish to urge all Colombians to vote in the forthcoming elections on 30 May, to vote for those who are the candidates of their sympathies, to vote with confidence that their vote will determine the direction of Colombia.

I marvel at each one of my contenders, I see in them different aspects of Colombian life and it pleases me that, at this stage in our democracy, there are some who question our thinking within the very ranks of the party, albeit sometimes in the name of the past, that there are others who question the entire system, that there are still others who resort to doctrines which we consider obsolete. I consider the Liberal Party, and I do not think it is necessary for a catastrophe to occur before its cadres are renewed and its ideas are renewed. At the beginning of this talk I described how the phenomenon is being carried out, spontaneously and miraculously, with the adherence and incorporation of new young people.

Our Liberal Party is the party of the weakest. I said yesterday in Sogamoso that the Liberal Party had a concern for all the helpless people of Colombia, for the children, the aged, the women when they were still weak, for the Indians, for the blacks and for the whites, for the Protestants and those of other religions who are at times discriminated against or misunderstood by people affiliated with the religion of the majority, namely, the Catholic religion.

The Liberal Party is the party of concern for all of them, the party which is concerned because it respects opposing opinions, the party which approaches human beings on the same basis as trees, water sources, the polluted environment and the pure environment, attempting to preserve that entire combination of treasures that constitutes our nation.

Many thanks for the attention that you have given me in my talks, and I am at the disposal of all of you in the future, whatever the fate dealt me by the polls may be.

Good night.

#### Galan: Foreign Policy Objectives

Bogota EL TIEMPO in Spanish 12 May 82 pp 1-A, 8-A

[Text of television address by "New Liberalism" presidential candidate Luis Carlos Galan, 11 May]

[Text] If it were necessary to summarize what has happened in Colombia during the past 25 years in a single word, one would have to say that the major feature of this portion of Colombian history has been the urban development process, the accelerated manner in which great cities have appeared in the country, with the movement of considerable sectors of the populace from the rural areas to the urban centers. It is worthwhile wondering: what will happen now? What could the basic feature of life in Colombia be during the next 20 years?

I believe that this feature already is, or will be shortly, the internationalization of the lives of Colombians; in other words, the way in which international factors (in both the political and the economic realms) will determine our existence. The recent events in Central America, South America, the Malvinas and other incidents related to the circumstances in the Caribbean have shown us how political international factors can have a considerable influence on national life. In the economic area, we have situations such as those created by the process of reforming the world economic system since 1971, when the dollar devaluation occurred; or those which arose in 1973, when oil prices changed and mankind began what has been called the transition between oil as a leading source of energy and the renewable sources, such as coal and uranium, or the unconventional ones which may come in the future. That affected the prices of all products in the world economy and, of course, it affected our own situations.

If this is the context (that of internationalization), it is essential that, in a responsible examination of the real factors in Colombian life that the next government will deal with, an examination be also made of the country's foreign policy, its orientation and the administration of all the tools of that international policy.

#### Colombia and Latin America

In order to be able to discuss Colombia's foreign policy and our country's international perspective, we must begin by placing our country with respect to the rest of the world. What is our role in the eyes of the world? What do we represent? What opinion could the rest of mankind have of us? What influence could we wield?

In the eyes of the majority of observers in the world, that role is secondary at the present time, because ours is not an important country from the economic

standpoint, except in the case of coffee. And, in the political realm, the shortcomings and blunders in foreign policy (particularly in recent years, and there will be occasion to analyze them) have placed us in that subordinate position.

Colombia's role in the world necessarily involves Latin America. Hence, the first thing to be done is to establish what we are in Latin America. We rank third in number of inhabitants after Brazil and Mexico, among the 21 Latin American nations. However, if we consider our economic power, we find that from the standpoint of the gross national product per inhabitant, we rank only 15th among the 21 countries; and, on the same statistical index relating to imports and exports, we hold very secondary positions. To summarize the situation somewhat, our growth rate has been so modest in relative terms compared with the features of the Latin American economy that (according to a World Bank study) it would take 20 years for Colombia, at the rates registered during the last decade, to reach an income level per inhabitant equal to that held today by Mexico and Chile, for example. This indicates the measure of our situation in the Latin American context and of the urgent need for a fundamental revision of many elements of Colombian life based on the role that we should be playing in Latin America and the rest of the world.

#### Five Foreign Policy Objectives

What are the objectives of a foreign policy? I would like to propose five basic points: The first, naturally, is the defense of the territorial integrity; the second, the recovery of the country's regional leadership, that is, the leadership which Colombia has exercised on the Latin American regional scene; third, Colombia's relations with the great world powers; and fourth, the country's international economic policy; and, finally, the defense of the rights of the Colombians who are abroad.

#### Territorial Integrity

Let us observe each of these five points as fundamental elements in the country's foreign policy. Insofar as territorial integrity is concerned, this is obviously the fundamental priority. For what reason? Because there are serious threats in the disputes that Colombia has at present with Venezuela, and the one that Nicaragua has posed recently, with its absurd ambition for domination over the archipelago of San Andres and Providencia. Colombia has a serious position toward this issue, based on legal arguments and on its legitimate rights. To be sure, there are some political procedures which are under way to deal with the conflict with Venezuela in particular. I think that this issue is very closely related to the urgent need for internal peace in the country; because, along with the legal arguments, we need the Army and the other branches also to be in a position to guarantee our sovereignty in the areas of potential disputes. And so that the Army may accomplish this, it must not spend most of its resources on problems of internal politics, such as the confrontation with subversive groups, but rather be able to modernize equipment and personnel based upon potential conflicts of an international nature.

Along with this, it is essential to carry out a policy on borders. I think, and I shall do so if I am president of the republic, that a special urban and regional development program should be undertaken in the large Colombian centers associated



with the border territories: concretely, a program for Ipiales, Leticia, Putumayo, Cucuta, Puerto Inirida, Arauca, Saravena, Tibu, Maicao and, of course, for San Andres and Providencia, and even the Uraba and Choco areas which are close to the Panamanian border. All these towns and regions must have a relationship with particular public investment projects. They must enjoy good public services. Some of them have water and electric power problems, and are confronted with a lag in their urban organization. They lack in particular clearcut policies on the realities that occur there as a result of the proximity to other economies. Also, in a defense of our territorial integrity, it is essential that we develop a genuine policy on the sea; in other words, that we organize the utilization of the country's ocean resources, the fishing and the exploration of the subsoil on the platform, so as to ascertain what mineral holdings exist there. All these issues necessitate a real policy for defense of the territorial integrity.

#### Recovering Regional Leadership

Secondly, we need to recover the regional leadership. It is obvious that Colombia has lost the influence that it had at other times in Latin American life. We were born as a republic, leading the process of independence for five nations; and, 15 years ago, we had a leadership of such a nature that our country promoted the Andean Group, one of the most important realities of Latin American policy in this century. Today, on the other hand, Colombia is not even consulted when problems relating to the Caribbean or Central America are examined. We have observed the many rebuffs that our diplomacy has suffered in recent years, and it is the result of the vacuum that exists in the formation of a foreign policy which would preserve our country's leadership in the regional areas.

#### A Latin American Political Forum

The third issue in foreign policy is that of the relations which Colombia should have with the leading world powers. First, within the Latin American reality itself: there is no doubt that our country should carry out a foreign policy based on the closeness and unity of the Latin American countries. Latin America lacks an instrument for deliberation of its own. I believe that a Latin American political forum of a permanent nature should be promoted, different from the OAS, and without renouncing the latter's existence, because it has other reasons for existing, such as the contacts with the United States and North America. But Latin America as such (for the defense of its regional and political identity and in view of the specific realities of the Hemisphere) should have a forum of its own, and that forum should be promoted to examine the region's role with respect to the rest of the world. On the other hand, Colombia should lend a natural importance to the relations with the United States, with the Soviet Union, with China and with the European Economic Community; and I propose that Japan be definitely included on this list. It is another center of economic and even political power in the world which is acquiring increasing influence.

#### 10 Months Without an Ambassador in Moscow

The present situation with respect to these issues is very serious. The neglect of our foreign policy is so serious that, for example, Colombia has not had an ambassador to the Soviet Union for 9 or 10 months. Under this government, there

was an improvised ambassador for 6 months, a roving ambassador in Washington; which gives an idea of the instability and lack of responsibility in the handling of a diplomatic representative that is so critical and significant. In the case of Japan, when everyone is looking toward that industrial power which is causing a revolution on the markets of the globe, Colombia has decided to close the PROEXPO [Export Promotion Fund] office in Tokyo, as occurred some time ago, without establishing permanent mechanisms for rapprochement with a country which (for reasons of technology, extent of its markets and its tools for economic development) is a key country in the world today, comparable to the two greatest powers.

#### International Economic Policy

The fourth point on foreign policy is Colombia's international economic policy. It is associated with several issues, but the following should be stressed: First, coffee, wherein Colombia does exercise a leadership for reasons that are well known, and wherein everything that affects the price of the bean, its marketing and the relations with the other producing and consuming countries is of fundamental importance to the nation. In that international economic policy, Colombia will have to conceive, during this decade and the next, how to develop an internal production strategy that will enable it to benefit from the comparative advantages that it has in both energy and the agricultural-livestock sector. We enjoy concrete advantages over other countries in those two major areas which are vital to the world economy at present. On the other hand, it is essential that we recognize the importance of the negotiations with multinational companies. The state is increasingly negotiating with multinational companies. It does so to determine the energy policy for oil, coal and uranium; it does so to determine communications policies when it decides to adopt color television, for example, or when it decides to establish a satellite with very considerable and risky investments; or when it determines the automotive policy upon establishing the assembly of automobiles in the country. At all times the modern state must get along with multinational companies, and it can only do so if it has good information on the market, on Colombia's rights in the respective area, and on the factors which are operating on an international scale in the endeavor of those multinational companies.

#### Colombians Abroad

Finally, the country's foreign policy must consider as another of its vital points the protection of the rights of Colombians abroad. Today, there may well be in the rest of the world about 3 million fellow countrymen, if we add the Colombians who live in Venezuela, the United States, Ecuador, Panama, Central America and Europe. In Venezuela alone, mention is made of 2 million, and in the United States the figure is no less than 200,000 or 300,000. All these fellow countrymen must have the opportunity for a real bond with the country, and effective protection in their work, just as has been achieved by other nations of the world which have permanent criteria and mechanisms for handling their emigrants to other continents. Similarly, Colombia must seek agreements of a labor type or, in short, mechanisms that will enable our fellow countrymen residing abroad to know that they are backed by their native land and that they can have recourse to it in the defense of their rights when they are possibly disregarded.

## The Bureaucratized Foreign Ministry

What are the tools for this foreign policy? The first of all is the Foreign Ministry. However, our Foreign Ministry is in deplorable condition. It is a Foreign Ministry with patronage interference. Often, diplomats are appointed merely for internal political reasons as consuls, minister counselors or ambassadors. The country does not have specific technical nor professional mechanisms suited for the performance of a Foreign Ministry which must handle information, organize, evaluate and analyze it and, on the basis of all this, prepare proposals on foreign policy for the head of state, the president of the Republic.

In recent years there has been a scandalous growth in our diplomatic bureaucracy. There are Colombian embassies in which there are so many employees that they have to take turns going to the office, because they do not fit into it; missions in which there are fewer desks than employees. Some attend in the morning, and others in the afternoon. There are improvised embassies in which five, six and even ten employees are included, unnecessarily. All of this causes waste, and not only is the waste serious, but it also produces inefficiency in the handling of the country's interests through its diplomatic offices.

## A Center of Latin American Studies

I think that, in addition to this, Colombia should organize a special center for studies on Latin America, wherein we would collect complete, detailed information on all the realities of the Latin American countries, realities which are generally not known by our country nor by the government. A center dedicated to analyzing the political, social, economic, cultural and historical realities of Venezuela, Brazil, Ecuador, Peru and Panama, and of the Caribbean, is essential for understanding our relations with those countries. We cannot continue to improvise diplomatic officials without having proper tools for the execution of the contemporary foreign policy.

A short time ago, we experienced an incident the consequences of which we shall, of course, be able to assess only with the passage of time: the one related to the issue of the Malvinas. Colombia has upheld a respectable position, with grounds, in this regard, but it has remained isolated, and that is extremely serious. It is largely the result of a Foreign Ministry which has lacked proper tools for carrying out its relations with the other Latin American countries, which improvises its proposals and which improvises its strategies for communicating with other governments; all of which has led to that growing and alarming isolation in which our country finds itself. It is not enough for the Colombian Foreign Ministry to become modernized. Other agencies too are associated with the country's international relations. It must transform its procedures and its working methods.

But along with the state agencies, it is necessary for other sectors of the community to have a different mentality, an international outlook for analyzing situations. Our universities should have tools of communication on an international scale. Similarly, our trade and labor unions should have them. Only in this way shall we be able to create in the country the proper public opinion and mentality for a good performance by Colombia in a time of increasing internationalization of its realities.



## Summary of the Addresses

Well, friends, we have reached the final phase of these televised addresses, wherein I have attempted to make a summary of the major issues that mark the political profile of my presidential candidacy.

On the first occasion I talked about corruption, in making an analysis of the political reality of Colombia. On the second occasion I discussed poverty, which represents the most critical problem of the social sector; and I also made an analysis of the economic problems, those of employment and of the state's operation on the third occasion. Now, I have talked about international policy, which demonstrates the mediocrity of Colombia's role in the eyes of the rest of the world. Our three fundamental messages are summarized in this. First, battling against corruption if we want to modernize Colombian politics; recovering the existence of parties which have force against the real problems of our time; achieving a respectable Congress for the nation, which is authentically representative; attaining a Comptrollership or an inspection apparatus that will truly serve the interests and rights of Colombians; purging the electoral system; and, of course, rescuing Colombian justice from the degree of debilitation and impotence in which it finds itself. The battle against corruption is translated into this. The battle against poverty is aimed at guaranteeing the fundamental necessities for all our fellow countrymen from the standpoint of food, health, education, housing and employment. And we might say that the battle against mediocrity is summarized in the search for a new role for Colombia with respect to the rest of the world, thanks to its foreign policy and thanks to the organization of the internal resources which will afford it that performance with respect to the rest of mankind.

### Continuism, Populism or Change

All of this is in contrast to what the other candidates propose. The fact is that Colombia is faced with the possibility of three real options: either continuism, represented by Dr Lopez Michelsen; or populism, upheld by Dr Belisario Betancur; or change, a renewal in depth which I propose on behalf of a large number of fellow countrymen alarmed by the magnitude of the national crisis, the seriousness of the dilemma in which Colombia finds itself and the urgent need for a renewed behavior on the part of all the leaders of Colombian politics and those of us who are charged with the interpretation of the country's fundamental interests.

### Belisario Betancur

Dr Belisario Betancur, who is a continuist and populist candidate, is also a member of a party: the Conservative Party which has governed Colombia and which is equally responsible for what has happened in the country over the past 8 years; a Conservative Party which is engaged in patronage, which has set up a machinery as reprehensible and as abusive as the one that the Liberal Party in power has in many of the country's departments. Dr Betancur proposes change; however, at the first opportunity, when he should have proven his interest in achieving change for the country and in fighting for it, namely, the election of congressmen, there was not the slightest gesture nor the least influence from Dr Betancur on behalf of a renewal of the Congress among his own political ranks. If he has not striven for the renewal of the Conservative Party, he will be less able to strive for the

country's renewal. What cannot be attempted or upheld in one's own party can be even less achieved on a national scale.

Lopez Michelsen

As for Dr Lopez, he failed in the government. He had the greatest political power that has ever been given to any ruler in Colombia's history: 3 million votes; and he had the great opportunities of the coffee boom and the surplus in foreign exchange which occurred throughout his administration, owing to factors other than the actions of the government itself. And nevertheless, all of this was wasted, and the economic policies which he upheld and applied during his administration were translated into the present recession and the current dilemma and crisis in public finances and the economy as a whole. Now, in the events of last year, Dr Lopez has attempted to thwart the renewal of the Liberal Party. He and Dr Julio Cesar Turbay have an alliance that is 8 years old, an alliance which, in my opinion, has been detrimental to the Liberal movement, because it did not originate in any type of conviction nor in clearcut, serious proposals concerning the country's reality, but rather in a mere agreement of private interests. It may be claimed that Drs Lopez and Turbay conjugated or are conjugating the verb "to elect" in a very strange way. I elected you, you elected me, I shall reelect you, you shall reelect me. We shall see whether the nation agrees that this should be the political process of this decade, as a result of the preeminence of that alliance which Drs Lopez and Turbay have made; an alliance which has been retrogressive and reactionary in its social and economic effects on the country and which, moreover, destroyed the identity of the Liberal movement to a large extent, and caused the crisis in which we find ourselves and which has forced us to intervene.

Not Only a Government, But an Era Will Be Determined

We Colombians are heading toward a supremely important decision that will be definitive not only for a government, but probably also for an entire historical era. It will be determined whether or not the nation will be renewed, whether it fears change or, on the contrary, whether there is a desire for a renewing interpretation of its realities, its perspectives and its potential. Those who fear that change threaten Colombia with another era of violence. They forget that we have experienced, and we are experiencing a new violence the causes of which are different from those which had an effect 30 years ago. The violence of today is social and economic. They cannot disguise it again as a violence linked with the political parties. The parties have governed for 25 years, and that has represented a new mentality in Colombian politics. For example, the present-day leaders cannot disregard the fact that now women are the leading protagonists in the country's political life. 25 years ago, women were not entitled to vote, and did not influence the realities of the Liberal and Conservative movements. Now they are definitely in the process, and they are proving it with their desire for participation and their intention of becoming fundamental protagonists in the immediate decisions. As for the youth, well there is an entire new generation which has been formed over the past 25 years, devoid of sectarianism, ready to work with a different spirit, and with a solidary, renewing mentality. I find all over Colombia young people who are identified with the political propositions that I am putting forth.

Too late?

Some claim that my age is an obstacle, a risk to the country, because they have no other arguments against the movement that we represent. I would like to recall on this occasion what happened to me with a worker in Barrancabermeja a few months ago, who told me: "Dr Galan, they say that you will reach the presidency of the republic too soon, but I think that it is quite the opposite: the country's crisis is so serious, so deepseated, that soon you will arrive too late. Hurry up, Dr Galan." This was said to me by that worker a few months ago in Barrancabermeja. I realized this when I accepted the responsibility of this candidacy: that there is an urgent need to act and mobilize, that we need the intervention of all Colombians in all the major decisions, and, as I said on the first occasion, we need the electoral revolution that will save Colombians from the violent revolution. All the signs indicate that this electoral revolution is under way. At the present time, the country is on the eve of the presidential election in which the largest number of fellow countrymen will participate. We may possibly exceed 7 million votes; in other words, 2 million more than in the last congressional elections.

Thanks to the Collaborators

I wish to thank all the Colombians who have given me their support, their advice and their solidarity in this process, and who have trusted in the criteria and the interpretation that I am using on behalf of the national interests. To all those who have participated on committees and in organizations to promote the New Liberalism throughout the entire national territory, and in particular, I wish to express my gratitude to those who have given public witness, by placing signs on their homes and placing stickers on their cars. I have felt touched in many Colombian cities upon observing that gesture wherein the common, ordinary citizen, the Colombian who understands the nature of this crisis, has made the resolute gesture of support and solidarity with the renewal effort that we are carrying out. It must be understood that a vote for a renewing force will not be wasted by any means. Quite the contrary. The vote is wasted when it supports continuism and patronage, everything that has disappointed the nation and that has it on the brink of a tragic crisis; because we are defending the country's destiny, and we are sure that we shall win.

Multiplied by Five

Fellow countrymen, the slogan is to multiply our vote in March by five. That is not difficult. We began with 600 persons in Rionegro in October; we multiplied by a thousand and we became 635,000 in March. Now it is much easier to multiply ourselves by five. This is the new slogan. We need the support of all our fellow countrymen to change the country's destiny on 30 May, and to begin a new historic era on that day.

A thousand thanks, and good night.

Molina Emphasizes Economy

Bogota EL ESPECTADOR in Spanish 13 May 82 p 9-A

[Text of televised address by Democratic Front presidential candidate Gerardo Molina, 12 May]

Ladies and gentlemen:

The data are clearly visible. During the last decade, the average economic growth was 6 percent per year. Last year, that collapsed: the growth was only 2.5 percent. But since the population growth matched that figure, we find that the economic growth was zero.

As for the fiscal deficit, the fiscal catastrophe that is being discussed at present, it is now close to 100 billion pesos, owing to the poor management of the government, a bureaucratic, patronage-based government, and also to tax evasion which of course benefits the wealthy.

Those two proofs would suffice to attest to the incapacity of those governing us, but if further proof were needed, we could provide it. If we accept the definition of a Latin American author that the development of a country is gaged by the way in which the dispossessed sectors live, we would obtain the following results upon applying this to Colombia. There is no reason to stress the number of unemployed: 10 percent of the active population, and 15 percent of the underemployed. But now it concerns us more to observe how the national income is distributed.

Year after year, the share of labor in the aforementioned income has been declining. Twenty years ago, of each peso that was produced 45 centavos went to the employee and the worker; now, only 35 centavos goes to them. Those 10 points which the subordinate sectors have lost represent a monstrous amount of money that has swelled the holdings of the rich. An independent economist, Julio Silva Colmenares, has estimated the amount transferred year after year from the lower sectors to the higher ones at 208 billion pesos. It is the "Peronism in reverse" mentioned by the economist Prebisch. It is well known that Peron transferred a considerable amount of money from capitalist funds to the wage-earners. Now, in Colombia, it is the reverse. It is from the low sectors that large amounts of money are being transferred to capitalists. Moreover, the people are being scourged by other means. We have inflation, which is estimated at 26 percent. The government explains it by saying that it is an imported inflation; but that is a mistake, because the foreign inflation is only 10 percent. So the remaining 16 percent is generated inside the country. And how does that operate? We know that the government has the monopoly on the purchase and sale of foreign exchange and, naturally, it is interested in devaluating the peso week after week in order to sell its dollars more expensively. In addition, the government wants to benefit exporters, gratifying them with the great profit represented by selling their dollars at high prices. But what consequences does this entail for all of us? Well, we have to pay more for imported items and, furthermore, we have a need to buy machinery and raw materials which, if manufactured in the country, mean that they are items with high prices for consumers. But it so happens that the exporters are only a minority; so it is not fair to hurt the other 26 million Colombians in order to benefit that handful of people.

For this reason, we propose the nationalization of foreign trade, so as to remove that handful of privileged people from the market and from the scene. As an immediate measure, we propose the creation of a government fund, obviously to be financed by the budget, whereby the government would pay for the imports, to be sold to manufacturers at the same price as in the previous year, avoiding the

external increase in inflation, with the commitment that those manufacturers would sell their items at the same prices as in the previous year.

We also propose the strong defense of the peso, which is our currency; and since we import more than we export every year, it becomes counterproductive to maintain a devaluation such as the present one, which is necessarily translated into an increase in the prices of all the elements needed by industry for its activities.

Another way of penalizing the people is through taxes. They have been made to think that Dr Lopez Michelsen's tax reform of 1974 was fair and equitable, but that is not true. Through that reform, the low sectors have been forced to be subjected to the same rate that applies to the sectors with high income. Thus, for example, an employee who earns 14,000 pesos a month pays 20,500 pesos per year, representing the product of a month and a half of work. The inflation is also harming employees and workers because, when wages rise in a nominal manner, a higher tax rate is applied to them. Hence we propose a special rate for the low income sectors, at least 50 percent lower than that to be applied to the people with higher income. We have also observed lately that the direct taxes have lost significance in favor of the indirect ones, which are those levied on consumers. So it is our intention to reverse the trend, and make the direct taxes have preeminence as revenue for the state, thereby benefiting all consumers.

While those with low income are being mistreated in this way, there is being consolidated in the country a number of conglomerates and financial groups which is not very large, but tremendous; financial groups which control the business of the banks, commerce and industry. It is already known that there are 15 large conglomerates in the country which control the 500 leading companies. This represents a terrible situation for our economic development and our culture, and even for our political organization.

What democracy can there be in a country wherein the member of a board of directors of one of these organizations has more real power than the minister of development, the editor of a newspaper or the president of the Senate?

Let us observe a few of the groups which have become established, with their political affiliation. The Santodomingo group, Liberal, controls the air transportation, the beer industry and part of the cement industry, and now it is expanding its empire to other activities, with the Colombian Insurance company and the Antioquian Commercial Bank joining it. The Ardila Lulle group, Conservative, is set up in the soft drink, textile and communications industries, and in agro-industry. The Grancolombiano group, headed by the Liberal, Jaime Michelsen Uribe, is powerful in the banking sector, not only within the country but abroad as well; because it now has banks in Panama, the Caribbean, the United States and Chile. The Suramericana group, with Liberal and Conservative fortunes from Antioquia, controls the cement industry, industrialized foods, textiles and tobacco. The Bogota group, headed essentially by Liberals, has in its power the basic iron and steel industry, and part of the cement, leather and insurance industries. The Valle del Cauca oligarchy, which is Liberal-Conservative, controls the sugar and oil seed industries, and other agro-industries.

Among the foreign groups operating in Colombia, we have the Rockefeller, the Morgan and the National City Bank, which control the mining, petrochemical and



automotive industries, part of the chemical industry and the capital for development loans.

What conclusions can we draw from this information? I ask you, what could Dr Lopez Michelsen do if he were elected? What could he do when faced with the Santodomingo family, or the Grancolombiano group of his relative, Michelsen Uribe? And as for Dr Betancur, if he should win, what could he do when faced with the Ardila Lulle group, the Suramericana group and another very large establishment that I did not mention, the Ospina establishment, a major construction and urban development company? Hence, we are confronted with a terrible problem that affects the entire population.

Dr Galan Sarmiento has said that he would pledge to curb the activity of those groups. I consider this insufficient, because the curbing could be evaded in various ways. Therefore we, the Socialist left, think that to make the change that the country needs, there must be a change in the system for owning land, and the abolishment of the system of private ownership of the major means of production. For this reason, we propose the nationalization of the large business firms and services whereby those groups are supported. Hence, there is included in our program the nationalization of banking, insurance, foreign trade, drug production, and the exploration, exploitation and distribution of natural resources, as well as the nationalization of other monopolies that are vital to the existence of Colombians.

As for public services, such as water and electricity, we propose to remove them from the international banks which require their self-financing, in other words, that they be profitable. We would put them in the hands of the state, so that it would provide them at prices feasible for the members.

We also propose making transportation municipal. The Firmes group of Antioquia has devised a fundamental plan in this regard.

As for television, we would restore to it the status of state property, currently upset by the private groups which are acting upon it, exploiting it and distorting it.

In the area of secondary and university education, we propose the creation of a strong public sector that would give it an impetus, develop it and equip it for opposing the currently victorious offensive of private education.

We propose the creation of a Ministry of Culture, to stimulate and support the cultural and artistic forces, unprotected at present, in the areas of the theater, films, painting and literature, and, through its auspices, to promote the necessary search for the nation's cultural identity.

As a proof of our nationalism with regard to natural resources, what would we do with El Cerrejon? Dr Galan proposes a change in the contract to make it equitable. We would go further. We think that this contract should be abolished, so that the coal industry would be really Colombian. Therefore, we would propose a compulsory internal loan to finance the enterprise, or foreign investment as well, but at all times under the state's control, to insure that this vast coal resource belongs to the country.

Insofar as agrarian reform is concerned, we are the only ones who propose a total agrarian reform. The historical parties have forgotten this traditional pledge, simply because they do not want to annoy the great Liberal and Conservative oligarchy, which is currently entrenched in the control of the land. Dr Lopez Michelsen has talked about increasing the volume of the 13 items vital to food, but he has not explained to us where that abundance would come from. They, all the candidates from the system, confine themselves to offering cheap credit; but that is not agrarian reform. That is agrarian promotion, as this government has been doing. We, on the other hand, propose the expropriation of the land held by the large estate holders, to be given to the farmers, so as to raise their standard of living, give them employment and put them in a frame of mind to produce the food and raw materials that the country needs, and also so that there may be a margin for exporting.

As for the small holdings, we would have them abolished, integrating them into large units which could be cooperatives or community associations for exploitation, distribution and sales.

In this new structure for Colombian society, we could not overlook what is half of it: women. As a housewife, a woman does work that is not recognized or accepted, much less paid for. There is a twofold exploitation against her, that of her husband and also the fact that she suffers the consequences of the exploitation of her husband by management. To alleviate her situation, we propose things that are simple, but fundamental. In every urban development, there should be premises for popular restaurants to which the families of the residents could come. We would also propose common laundries to facilitate the housewife's work. We would make electrical household appliances and public services cheap, so that they could be used without fear; and for the common ordinary housewife we would propose that there be a pension taken from social security for cases of disability and old age. As for the working woman, whose workday is about 15 hours long, we would propose the multiplication of the nurseries and kindergartens where they could leave their children. And we would provide for them work on equal conditions with men, insofar as wages and promotions are concerned. Their status as mothers would not be an obstacle for work purposes, in the event of pregnancy. And all the doors leading to emancipation would be opened for them. As a fundamental step, we would propose the creation of the Ministry of Women, and we also would ask that the position of the director of the Family Welfare Institute be held by a woman.

Ladies and gentlemen:

I wish to convey to you the assurance that, with either of the two candidates who have a greater option, there will not be any real change in the country. Everything would continue more or less the same. Either of them who might win would be forced to call upon his competitor, not only because the Constitution orders it, but also because each party, owing to its internal weakness, feels incapable of governing on its own.

The country must take different paths, calling upon new people, new classes, individuals with new ideas about the society and the state, so that they may appear in national life. Now then, that new option, that alternative, is the Socialist one. In view of the crisis in the historical parties, we think that



the only way of directing the country's paths differently would be by extracting formulas from the Socialist arsenal.

But it would be a genuine Socialism, not like that proposed to us by Dr Lopez Michelsen, with his affiliation with the Socialist International, which would not mean very much because, as we know from the studies, the Socialist International has not proposed any change with regard to the ownership of the major means of production. It is, therefore, a Liberalism such as that attempted here in other times.

But the change which Colombia requires today is a far more deepseated change; and therefore we think that we are correct in making you reflect on the need for seeking other types of thought and conduct.

Hence, in thanking you, as I do tonight, for the attention that you have lavished on me throughout four presentations, I urge you to cast your vote on 30 May for the candidate of the Democratic Front, an organization being formed on the basis of the Firms Movement, which is not in a state of crisis as some foolish propaganda claims. So I tell you that, in casting your vote for the Democratic Unity candidate, you should do so bearing in mind that, by this vote, you are assuming a commitment, a commitment to the Colombia of today and to the Colombia of tomorrow.

It will be a vote of historic responsibility, and therefore I urge you to reflect, in the hope that, when you make the decision that you must make, you will do so realizing that you are doing something different, something new, for the solution of the problems which have weighed upon the shoulders of the same ruling class for 160 years, a class which has been incapable of solving them.

So, let us seek new people, new ideas and new probabilities, and vote in conscience for the candidate who represents hope for the new generations.

Good night.

#### Betancur Offers 'Guarantees'

Bogota EL TIEMPO in Spanish 14 May 82 pp 1-A, 8-A

[Text of television address by Conservative Party presidential candidate Belisario Betancur, 13 May]

[Text] The Ecological Assets

The first great lesson that we have learned from this debate is that the Colombians no longer want to hear any talk about sectarianism, but rather about concrete things, at least in the political realm; and that those of us who are seeking the backing of public opinion, as parties or as individuals, have an obligation, if we are to be heard, to talk to them about their issues and their problems, and not about general ideas, or matters dissociated from the people's direct concern, a concern which ranges from the protection of our ecological assets to the protection of our cultural assets and national talent.

## The Cultural Identity

The people are now demanding that they be taken into consideration, that it be known that they have an identity, a personality, as an individual, a group and a union. And therefore there is already a secure basis for speaking categorically about the cultural identity of Colombia, about the fact that we are a country inhabited by people who think and who demand. Hence this flag and this portrait of Bolivar which have accompanied me and directed my remarks are not a mere decoration, but rather a symbol of my deep respect for what my native land is and for what my fellow citizens are, including the artists whom we must encourage and protect to the maximum extent.

## The Athletes, the Artists

Because I admire and foster this identity, I am proud that, among the millions of Colombians who accompany me, there are those artists, writers and athletes in whom are expressed our people's desires for excellence. I can notice that quite well every time they come with me to towns, cities and rural sections and I see the people crowding around, without distinction, to greet them with great affection and great respect. That indeed truly unites, that indeed lies on the road to coexistence; not the political emotions which only divide and cause confrontation!

Because we are on the side of the new Colombia, we address it concerning its problems which are being experienced and felt. This is why my government program has been acknowledged as the most serious one, with the most weight, of all, in the article published the Sunday before last by the newspaper EL TIEMPO concerning the different proposals that you are considering.

## Housing Without an Initial Installment

If certain formulas of ours are criticized, considering them in an isolated manner and out of purely political interests, you, the citizens, are very well aware of the little value that such criticism has. Consider, for example, what happened in the case of the proposal for low-cost housing without an initial installment, only one of the many solutions that we have for that major Colombian problem. While we were criticized in the editorials and speeches, there appeared pages and pages of information and notions to the effect that it could indeed be done. To top it all off, the main spokesman of "it cannot be done," Dr Lopez Michelsen, in this book with his signature, makes the following statement:

"The greatest activity of the Liberal Party during the 1980's must be directed, as in the case of employment, to solving the housing problem. It will be necessary to find daring and imaginative solutions which go beyond the self-construction with the minimal standards of the municipalities, construction without an initial installment and the activity of the Territorial Credit Institute; considering the possibility that, by means of lots with some fundamental services, the community might proceed to seek housing, gradually improving the quality of the construction, but becoming settled right away, and in this way acquiring the property which is an element for stability in any human conglomerate."

In other words, that project which Lopez Michelsen opposes now, which he considered something that not only could not be done but that was also something miniscule (until just a little over a year ago), had to go further! So it was not true that my proposal, which I have been making for the past 10 years, was impossible or demagogic.

#### The Universities of the Sea and of Amazonia

The same thing occurred, but with greater seriousness, in the case of the University at a Distance. Dr Lopez claimed here that the French Government had cancelled that program. What happened was that a revision was ordered, because students had been concentrating on courses which were not so necessary, and others were neglected. In other words, they are doing what we have said, to the effect that the courses that the country needs will be promoted. Furthermore, there are French in Colombia who are studying according to that system.

You understand that this is not a serious way of discussing the problems which affect Colombians: the 100,000 stranded holders of diplomas whom we shall have entering the university with only their diplomas. And we shall create the University of the Pacific at Buenaventura, and Schools in Tumaco and Guapi; that of Oceanography in Barranquilla, and that of Amazonia in Leticia.

#### Protection of Children

But we shall not allow ourselves to deviate from our intention to meet the major needs of the people. What will their retort be to me because I say that we must solve the tragedy of the Pre-School Total Care Centers, the so greatly touted CAIPS of which Dr Lopez Michelsen spoke so proudly in his last presentation? You have seen and heard what is happening currently in Bogota: that the parents with children in those centers are begging for alms from door to door to prevent their being closed. That cannot be possible: these are children, these are mothers who cannot go to work because of the situation. Although many of us do not have that tragedy in our homes, we must feel a deep compassion, but also indignation at this way of treating human beings like ourselves.

#### Protection of the Aged

In any event, and as you have seen me repeat, the national movement will make a government to solve the problems of the common people, devoting special attention to what we have called in our program the "disadvantaged groups": the children, the aged, the retired, and the physically disabled; in short, those who, although their numbers are considerable, such as the members of other religions for whom we shall command respect, do not have the strength to make themselves heard and felt in the agencies that decide upon the community's life.

Dr Lopez discussed the aged this week; he said that there is the National Council on the Aged created in 1976 under his government. That is true. He expressed regret that it has never met. The years 1977 and 1978 were not sufficient for him to put it into operation! Why? Why must we now believe that he will put it into operation?

## Lopez Dismantled the Hospital Plan

Many mistakes must be corrected, such as those which have upset public health care for Colombians. In his last address Dr Lopez Michelsen mentioned the expansion of the National Health Plan. Without an recriminatory intent, it must be said that this is the same hospital plan (which needs to be improved and continued) devised by the Lleras Restrepo government and completed by the Pastrana administration, which the Lopez Michelsen government halted and nearly dismantled, with the result that 42,000 hospital beds were reduced to 36,000, and the recuperation payment that is collected in the hospitals from patients with lower income was increased for them. Or, in the area of child nutrition, it should be recalled that Colombian's dissociation from the world health plans during the Lopez Michelsen government meant the elimination of even one meal a day given to school-children. In Medellin alone, there are appalling statistics on what the liquidation of that program caused there. Just imagine: it was ended and not replaced. And compare: How much does it cost to give a glass of milk, just one each day, to a poor schoolchild? And how much does it cost not to provide it to him?

## Elimination of the Martial Law

The political front must also be dealt with. Let us proceed to that topic. Without any fanfare, we have stated how political peace will be preserved and consolidated: with my determined, enthusiastic support for the Peace Commission chaired by Dr Carlos Lleras Restrepo, a support which is not just current, but which dates back to when the illustrious ex-president proposed it. With my commitment that I shall uphold for all public employees, and I shall appoint a Liberal minister of government; with my commitment that we shall lift the martial law, and that we shall set very serious limits on that institution, so that it will not be used to commit abuses against the citizens. And, in particular, that while we strive to incorporate and rehabilitate those who have engaged in armed rebellion, we shall carry out the great operation of social justice in employment, cost of living and health; in short, what is detrimental to our less privileged fellow countrymen, so that there will not occur a resolving of the subversive conflict tomorrow and, within a year, another outbreak of the crisis because the underlying situation has not been settled.

## Backing for the Peace Commission

In this connection, I must say something very critical: The efforts which the Peace Commission is making must not be used as electoral weapons, as was done by Dr Lopez Michelsen in a speech last Sunday in Sogamoso. Months ago, we observed him discrediting the Peace Commission, calling it a "Galanist commission." And now he says that it is Liberal, as if the entire country were not represented in it, in the political, economic, religious, military and social areas. And he depicts himself, and he depicts individuals such as Dr Gustavo Balcazar Monzon, as the only ones who are respected by the armed rebels to reach an understanding with them. Such indiscretion is unwarranted!

## Electoral Exploitation of Peace by Lopez

Peace must be and is a supra-partisan effort, a national purpose, not a petty struggle in which, as Dr Lopez Michelsen proposes, each political leader arrives

with his guerrilla fighter, who surrendered to him personally, as a political credential. Some guerrilla fighters have also sought me, to surrender. And there is no service that is not being rendered in that regard. But to use peace as an electoral weapon is disrespectful to the nation and a lack of sincerity toward the armed rebels themselves. Through that course of action, we reach the ridiculous key to the trick that we Colombians see on this very television.

Peace is something very serious, something urgently needed for all Colombians. For that reason, I backed the Peace Commission from the outset, and I shall follow its recommendations and keep it in my government until the total recovery of that peace which is so much desired and necessary.

#### Presidential Austerity

It must be said candidly that, to certain more or less influential circles, the presidency is something like a public relations office in which the president must deal with all kinds of inaugurations, cutting ribbons, uncovering plaques with his name and paying all kinds of social visits that reduce time for working more on behalf of the people and, in many instances, cost the government a large amount of money, money that should be invested in what you do need.

What is the cost of one of the many unnecessary visits to a city? What does it cost if the president does not have the time or information to prevent waste, such as that at the Illustrious Guest House in Cartagena, which cost nearly 400 million, a sum with which 2,667 low-cost dwellings could have been built for the poor people of Cartagena itself? And how many could have been built with the 3 billion for the Convention Palace?

We shall curtail those social commitments drastically. And the example must spread so that people will see the government's work being done with dedication and austerity. In this way, the communication and confidence between the authorities and the citizens will be reestablished. You realize that this is easy to achieve, and that I am not proposing any impossible feat. It is easy, if one wants to do it. I want to do it, and I am going to do it.

#### Rejection of the Lopist Bonds

I mentioned the confidence that you must have again in the public administration, and in its employees. The presidential example of a spirit of work and efficiency will be transmitted to all sectors of the government. As a basis for the achievement of this, I reiterate my determination to put into effect the administrative career, so that the appointment or removal of a public employee will be carried out without regard for political affiliation; and so that there will not occur what is occurring now with the abusive "peace bonds" of the Lopez candidacy, for the purchase of which there is coercion from the high circles of government.

That is an improper tax: 10 percent of the annual wage that is being established, for a minimum wage of 7,500 pesos per month, is equivalent to 9,000 pesos representing food on the table, the tuition for a son in school, and medicine for treating an illness. I forcefully reject that abusive contribution forcing the public employee to vote against his conscience which is sacred and which is his

own. The only demand that will be made in my government on the public employee is that of serving its citizens well and honestly; and with the government's austerity it will be possible to improve his wage and his union rights will be guaranteed him.

#### I Shall Turn Over the Power to the One Whom the People Elect

Nothing and no one can divert me from the intentions that I have. The government will be one of accord, not of systematic battling. Hence, I shall not expend useless efforts on making excuses to the previous government, nor shall I amuse myself with recriminations against Dr Turbay's government. Each government has its own style and acts to succeed. I who have been a critical conscience without any link with this administration say this. I know very well what we shall be receiving and what the Colombians expect us to deliver to them in 1986, when I swear that I shall turn over without hesitation the power to whomever you freely indicate in the presidential elections of that year.

We have the example of what should not be done in plain view, and the explanations that I sought on behalf of Colombians on my last program were not forthcoming. I shall not describe that arrogance and that disdain for you.

We do indeed have that desire, that criterion and that determination.

#### There Will Be No Privileges, But Rather Guarantees

Inasmuch as this is my last meeting with you, I wish to emphasize the following commitments which I assume to the entire country:

I shall staunchly defend the public peace and personal security of Colombians, combating the social injustice which has basically caused the violation thereof with effective, constructive measures.

In my government, there will be no privileges, but rather guarantees.

#### The Educational Emergency

To promote employment, during the 4 years of my administration no new taxes will be created, and the double taxation will be eliminated.

We shall immediately seek an alleviation in the taxes on income from work and small assets.

We shall channel resources from the major financial power and both public and private savings to housing, with special emphasis on low-cost housing without an initial installment.

We shall declare an educational emergency, to uproot illiteracy, creating the service position of educator, and turning public offices into classrooms during hours when there is no work being done; and we shall lend full force to the University at a Distance, so that high-school graduates may enter to take the courses that the country needs with the only diploma which gives them that right.



### The Employment CAT [Tax Credit Certificate]

We shall provide all the incentives necessary to large, medium and small-sized business owners so as to increase employment substantially, by creating an Employment CAT and an incentive for the micro-enterprises. We shall spur on public works, using national engineering and products to the maximum extent.

Use will be made of all the resources of low-cost credit, technical assistance, communications routes and marketing, so that the agricultural and livestock production which affects the family shopping basket will supply the items that we need in our households. And we shall coordinate all the transportation entities so as to modernize them and reduce their costs.

### Against High Interest

We shall adopt all measures leading to a reduction in the high interest rates which have caused bankruptcy in business firms and contributed to the detrimental concentrationism.

We shall monitor the public service rates, so that decisions made without consulting people will not continue to cause average hikes of 50 percent in power and 41 percent in water each year. I shall act in the same direction regarding the assessed valuations.

### All Work Is Noble

I shall give protection to the disadvantaged groups, such as children, the aged, and independent workers, such as the traveling salesmen, taxi drivers and shoe-shine workers; because all work is noble. Also, as our great national proposal states, we shall establish the rights and obligations of the minorities, for example, the religious and racial ones.

No decision will be made or required that does not make the protection of children and mothers, especially those who work, a reality, and not what we are experiencing now, with instances such as the Family Welfare Institute which is virtually bankrupt.

### Improvement of the Justice System

I shall strive without hesitation, and with all the firmness necessary, to put an end to administrative corruption, largely a result of the economic policy initiated in 1974. And I shall see to it that justice is respectable and respected, improving its servants, providing them with facilities, and always consulting the representative institutions, particularly for a reform in the codes.

### Social Security to the Rural Area

Health is a fundamental right of everyone, and hence its services must be depoliticized. I shall attach fundamental concern to education for health. We shall increase the coverage for primary care, bolstering preventive health stations and centers; we shall take drinking water to more and more communities; and we shall stress the prevention campaigns, seeing to it that the people participate, training more promoters and using experienced personnel from the community



itself as midwives. We shall establish a stringent coordination of the existing services, and we shall take social security to the rural area.

#### Against the Light Rates on the Coast

Because I like and admire the people on the Atlantic Coast, and because I am certain that the maneuvers that the Lopists may attempt there will not succeed in changing the national results in our favor, I shall maintain my decision to promote their agricultural and industrial progress. I shall make the crosswise main communications lines. Their great mine resources of coal, nickel and gas will serve the Coast inhabitants first, and drinking water, roads and highways for penetration will be provided for them. And we shall put an end to the discriminatory electrical rates.

#### Incentive for Sports

No new urban development without a multi-sports complex will be authorized, and we shall give the youth an incentive for sports, retaining from the World Soccer, which must be held without touching a single centavo from the government, multi-sports complexes throughout the country, a university of sports and a policy of recognition and pensions for those who have lent glory to national sports.

#### Foreign Policy

And we shall reorganize the Foreign Ministry, so that Colombians may regain a presence in the international forums, and so that, with the Foreign Relations Advisory Commission, which I shall immediately convoke, the parties and their representatives may again be the ones consulted, enabling our countenance abroad to be an expression of the entire nation. We shall take the initiative for a new interoceanic channel, aimed at compensating Colombia for the loss of some of its rights in the Panama Canal. And we shall create a worthy border policy.

#### Honor to the Armed Forces

We shall give our Armed Forces and their members the recognition and improvement that the nation owes them for their altruism, their loyalty and their patriotism, while at the same time improving the distressing situation of their members in retirement and their pensioners.

Everything that has been said thus far can be achieved, it can be done, with the determination that I have to strive for the welfare and progress of my fellow countrymen, and with the assurance that I have that I will be backed by very large numbers on the decisive 30 May, in that decisive battle.

#### The Force of the Vote

Fellow countrymen and friends:

We have reached the end of these presentations, and now the decision is yours. The fate of the presidential candidates, the fate of Colombia and (what is most important) the fate of you yourselves and of your children, is in your hands, is in your own hands, not in those of anyone else; because you have the force of the

vote, and no one can do anything against that force. I know that you will make it count, so that it may serve you and so that it may serve Colombia.

You already know how Drs Lopez, Galan, Molina and I think, and what we want to do in the government.

#### Tribute to the Intellectual Lopez

Despite my serious differences with Dr Lopez, despite the fact that I sincerely think that his government performance disqualifies him from aspiring to a second opportunity, despite my indignation at the way in which he has been jeopardizing the search for peace by trying to use sectarianism and the respectable actions of the commission chaired by Dr Carlos Lleras Restrepo as a desperate electoral resort, despite all that, I pay him tribute as an intellectual, a writer and a university professor.

#### Molina, Example of Dignity

To me, Dr Gerardo Molina has been an example of mental dignity, austerity and worth, for defending his theories with integrity and loftiness, although I do not share many of them. I consider it an honor to have had him as an opponent in this debate.

#### Galan Will Lose a Battle But Will Win the War

With respect to Dr Luis Carlos Galan, I must say that I am touched by his daring courage in opposing what is conventional, and in fighting for a cause that seems lost now, but will not be in the future. Although, according to the minor electoral accounts, his presence in the debate would favor Dr Lopez Michelsen against us, I have not by any means allowed him to be hurt by our national movement, or urged his followers to abandon him. In that respect, I am faithful to my own history, and I submit here my respects to those who are determined to continue the battle, knowing that, with Galan, a battle will be lost, but that, with him, the war will be won in the end.

#### Betancur, an Ordinary Colombian

As for myself, this is the third time that you have seen me addressing you as a candidate for the presidency of Colombia. The first time was in 1970, the second in 1978 and the last, this year of 1982. Hence, it has been 12 years during which I have not ceased to reflect on the problems of my fellow countrymen, and on the solutions to those problems. So it is my least ambition that you realize that I am not an upstart, and that I have fought for a long time for the same thing: for a better life for Colombians.

I am a Colombian like you and like most of you I have had to fight very hard to accomplish something in life. Because I remember what that struggle was like, I have always promised that, upon reaching the presidency, I would apply all my determination to the service of those who have nothing or who have very little, so as to make their lives less bitter.

## Defense of the Family

With my wife, my children and my grandchildren, we make up a common, ordinary Colombian family, like yours. We belong to different political movements, but we are a united family because we practice tolerance, because we realize that no one can claim to be totally right.

You have already heard how I intend to carry out my commitment as president of the republic. You have learned about my concrete programs. But the important thing, what stands above everything, because without it nothing can be done in the long run, is the preservation of the unity of that great family made up of us Colombians.

## Tribute to the Flag

For that noble, decisive endeavor from the standpoint of the family, friends, nation, dignity of women and future of youth, on 30 May you must not confine yourselves to casting your vote, but rather seek out and convince other fellow countrymen to participate in the great victory, in the march toward the future. Nothing can oppose the force that you possess, the silent but overwhelming force of the vote. Invoking the God of Colombia, who is my own God, let us pay this beloved flag the tribute of using that unrestrainable force to make Colombia worthy and just again.

2909

CSO: 3010/1619

## PARTIAL MILITARY WITHDRAWAL IN CAQUETA BEING CONSIDERED

## Army Victory

Bogota EL TIEMPO in Spanish 23 Apr 82 pp 1-A, 19-C

[Article by German Acero E]

[Text] The Colombian Army again dealt heavy blows to the armed insurgents in Huila and Putumayo in two encounters, killing nine of the M-19 guerrillas while another 10 subversives laid down their arms.

At the same time, it was learned that the armed forces are studying the possibility of withdrawing troops from several municipalities of Caqueta in view of the gradual pacification of those areas, where the M-19 operates. The chief of the Army General Staff, Gen Bernardo Lema Henao, presided over a meeting of top commands in Florencia, which was attended also by Caqueta's Gov Julio Cabrera Perdomo and Bishop Jose Luis Serna, to analyze the public order situation.

Military sources confirmed last night that the casualties were insurgents belonging to the columns of leaders Marcos Chalita, alias "Roberto", and German Rojas, alias "Yuri". Those same military sources reported that the armed insurgents tried to ambush a military patrol, which repelled the attack and inflicted nine casualties on the subversives, who still have not been identified.

The first encounter occurred in a place near the Gallardo Trail, in the municipality of Garzon, Huila Department.

At the Putumayo Intendancy, the column commanded by "Yuri" suffered a severe blow when two of its leaders became casualties. A guerrilla training camp was uncovered and occupied by the troops in that successful army operation.

According to sources close to the army, several insurgents were being trained at that location to carry out a guerrilla plan intended to disturb the holding of the forthcoming presidential elections in May. Plans and communist manuals from Cuba were found dealing with training at bases and attacks against military installations.

The list of prisoners furnished by a military source consists of Gerardo Barrera, alias "Esteban"; Pablo Emilio Alvarez, alias "Alfonso"; Rodolfo Tamayo Carvajal, alias "Miguel"; Severiano Hernandez Ramirez, alias "Aldemar"; Amanda Leal, alias "Laura"; and one other that still has not been identified.

The insurgent killed in Huila was identified only by the alias of "Pedro," lieutenant of the group headed by Adolfo, who fled after slipping through the encirclement of the army troops.

It was officially reported last night that among the materiel seized, there were two FALN rifles, five 38 long caliber revolvers, three 9 mm caliber pistols, nine field packs, radio communications equipment and ammunition for weapons of various calibers.

In the areas known as Pinau Llano and Pinau Negro in Putumayo, troops of the 9th Brigade decimated a column of the M-19, inflicting eight casualties on the subversives. They belonged to the group headed by German Rojas, alias "Yuri." Some 20 rifles and carbines, as well as two long-wave radio transmitters, were seized in this operation.

Lastly, army troops detained a leader of the M-19 in Choco who was getting ready to extort a rich cattleman. He was identified as Domingo Teheran Castro.

#### Troops Would Be Withdrawn

Bogota EL TIEMPO 23 Apr 82 p 19-C

[Article by Jesus Maria Catano E]

[Text] Florencia, 22 Apr 82--The army reportedly will soon start withdrawing its troops from the rural areas of Caqueta, it transpired here today at the close of a high-level meeting that was attended by Gen Bernardo Lema Henao--chief of the Army General Staff--the commanders of the Juanambu Battalion and the 12th Operational Group, the governor of Caqueta, the bishop of Caqueta and representatives of the regional trade unions.

The meeting reached the conclusion that the presence of the army and the drastic military operations are no longer justified in many sections of the department because the guerrillas have been almost completely eliminated or neutralized, and in the meantime, military controls have brought about a massive exodus of peasants which in turn caused a considerable drop in the traditional agricultural production.

The representatives of the regional trade unions said that after today's summit meeting, a feeling of optimism is beginning to prevail regarding the consolidation of peace in this territory.

Heraclio Guevara Sandoval, chairman of the joint trade union committee of Caqueta, said: "We are now at the proper juncture to attain that goal, and the only thing left to do is to have an immediate, joint, determined and intelligent action in which all sectors should participate to return to the tranquil years of the Caquetan past."

The army has upheld its posture to fight resolutely to eliminate subversive centers, but the chief spokesmen for the regional society, and even the church, have repeatedly concluded that the guerrillas have been defeated and, therefore, the military presence in the fields and villages of the young department is unnecessary.

Concurrently with the withdrawal of the army and the transformation of its functions in the areas where it will remain, the government will undertake works that will justify its presence among the peasant communities, especially in the fields of education, housing, health and communications.

8414

CSO: 3010/1558



## M-19 STEALS 250 KG OF DYNAMITE

Bogota EL TIEMPO in Spanish 20 Apr 82 p 3-A

[Text] An M-19 commando group stole 250 kg of dynamite intended for the construction of the second stage of the Mesitas hydroelectric plant, and kidnaped an official of the company whom they forced to hand over the explosive.

In another action of the subversive group, six masked men took over the Los Andes University in Bogota and left behind two flags and several slogans allusive to the 12th anniversary of the establishment of the guerrilla organization.

The first of the incidents occurred in the early hours of Sunday in the district of El Charquito, in the jurisdiction of the municipality of Mesitas del Colegio. The guerrillas kidnaped an official of Impregilo Ltd, the firm in charge of the construction of the El Paraiso (Mesitas II) hydroelectric plant, and forced him to go to the company's warehouses and hand over to them 10 boxes of dynamite containing 250 kg of the explosive. The subversive commando group loaded the dynamite on a vehicle and fled, taking as hostage the official, whose name has not been revealed by the authorities conducting the investigation.

As a precaution, the military intelligence services detained the four private watchmen guarding the warehouse where the dynamite was stored because they did not offer any resistance to the guerrillas and allowed them to seize the explosive.

The theft of the dynamite caused concern among the authorities inasmuch as the M-19 is celebrating the 12th anniversary of its establishment and has announced, through its clandestine bulletins, that it will sabotage the 30 May elections with "unimagined" acts, and prevent the inauguration of Congress.

A few months ago, another group of the M-19 seized a shipment of dynamite in Valle, after highjacking a helicopter belonging to a cement company.

As to the takeover of Los Andes University, the incident was peaceful and the academic authorities suspect that the commando group is composed of students of that institution because in one of the slogans, the subversives asked their colleagues if they were ready for the preliminaries that were to be held yesterday at the College of Law.

8414

CSO: 3010/1558

OFFICIALS AFFIRM BUDGET CANNOT BE CUT

Emilio Garnier Discusses Budget

San Jose LA NACION in Spanish 18 Apr 82 p 6A

[Article by Lidiette Brenes de Charpentier]

[Text] Because of the destination of expenditures and the savings realized up to the present, it is impossible for the government to reduce public expenditure further, said the minister of finance, Emilio Garnier.

Three weeks short of completing his term as comptroller of government finances, Garnier appeared satisfied with the job he has done, inasmuch as he leaves 600 million colons in the treasury and this without touching the treasury bills, those instruments the government has access to whenever it needs extra funds.

By law, the minister of finance is also the director of the Central Bank, the institution accused of being directly responsible for inflation, since it has insisted on issuing money in a haphazard manner to cover the losses in exchange incurred by autonomous agencies.

Garnier made it clear that the issuing institution is one in which a courteous atmosphere prevails and that business is carried out by votes where the majority rules.

Even so, he stated that during the first 2 months of the current year the Central Bank increased the money issued by 2.9 billion colons, but at the same time reduced it by withdrawing from circulation 3.1 billion colons, resulting in a net reduction of nearly 200 million colons.

Budget

The Budget Law authorized government expenditures of 11,670,700,000 colons for 1982. To that amount must be added expenditures for financing, for scholarships, for interest on the debt, and for adjustments caused by price increases, which bring them up to 16,446,700,000 colons.

Minister Garnier reported that a downward adjustment of the budget in the amount of 275.5 million colons is being contemplated along with other economies that bring the total expenditure to 15,361,700,000 colons.

The income the government depends on amounts to 13,316,000,000 colons. Included in this are 2.30 billion colons extra produced by the sales and consumer's taxes, which rose automatically when the prices for goods and services went up due to inflation.

The government's deficit remains at 2,045,700,000 colons, which will be financed by 1 billion colons of foreign loans and the remainder by internal resources (basically with public bond issues).

Garnier said that this is the minimum acceptable level of reduction of the public expenditure since the next step, if one insists on taking it, is to lay off public employees.

In addition to the 600 million colons that he leaves in the treasury, he left unused a similar amount that could have been converted into government bonds and that comes from the Fund for Financial Compensation through the savings that public institutions deposited in the state banks.

This fund accrued in the Central Bank, who will now return it to the state banks to be used for other purposes.

#### The Other Side

Even though the actions of a minister of finance center around government finances, they also have to do with the rest of the public sector from the moment when the Central Bank finances activities or cash shortages with its funds.

In view of this, apparently Garnier is also guilty of authorizing the haphazard issue of funds that contributed so much to the rise in the cost of living.

Although he recognized that a courteous atmosphere prevails in the issuing institution, the resolutions are carried by a majority of votes. He confessed that he agreed to a raise in the water and electricity rates and in the price of fuel to avoid the monetary issuance "that does so much harm."

He also declared himself in favor of an agreement with the International Monetary Fund (FMI) as a pre-condition to having a flux of foreign capital return to the country.

To analyze the issue of funds by the issuing institutions, the factors of expansion as well as those of contraction should be taken into consideration, the minister asserted.

He added that among the operations that tend to produce an increase of up to 2.90 billion colons, during the first 2 months of the current year, is a slight increase in prices in the international monetary reserves, as well as an increase in the credit the Central Bank gives to the official sector and in the losses in exchange.

## Adjustment

Garnier explained that the destination of the monetary issue to the government was of little significance, since the strongest expansion in credit was in favor of the Costa Rican Development Corporation (CODESA), to finance, along with other resources supplied by the National Bank of Foreign Trade of Mexico, the importation of buses by Metropolitan Transports (TRANSMESA).

The credit given the National Production Council (CNP) was also significant. Out of the total credit (5.58 billion colons), 67 percent went to TRANSMESA and 32 percent to the CNP.

Among the exchange losses suffered by the Central Bank, due to the selling of foreign currency at lower prices than the purchasing price as well as to paying its debts with foreign currency, Garnier mentioned 518 million colons granted to the Costa Rican Oil Refinery (RECOPE) to deal with fuel imports.

Under this heading are included 55 million colons to take care of the needs of the Costa Rican Social Security Fund and 200 million colons to liquidate exports. (Exporters are paid 38 colons for each dollar.)

From the point of view of the issued money, more than half can be explained by the income from Foreign resources (disbursements by developmental organizations such as the World Bank, etc) as well as by the sale of monetary stabilization bonds, from which money can be recovered. Also contributing were bank deposits.

All in all, 3.10 billion colons were acquired.

Finally, Garnier agreed that the final effect of monetary issue is bad for the country's economy.

## Vargas Peralta Expresses Views

San Jose LA NACION in Spanish 19 Apr 82 p 4A

[Article by Lidiette Brenes de Charpentier]

[Text] The Central Government's budget has been reduced to a minimum and any other major reduction would have to come from the area of personal services; this is the opinion of the future minister of finance, Dr Federico Vargas Peralta.

His statement coincides with that of the present minister of finance, Emilio Garnier, who in yesterday's edition of this paper said that public expenditures had been reduced to a bearable minimum and that if the government officials want to lower it more, they would have to dismiss people.

The statements made by the two ministers disagree in respect to the autonomy of the Central Bank, the ruling organization of the country's credit and exchange policies, of which the minister of finance is by law, the director and is therefore responsible for all decisions taken by it.

The retiring official confessed that a courteous atmosphere prevails among the present managing body, but that even so, disagreements show up at voting time.

The incoming official, on the other hand, stated that persons assigned to occupy positions in the governing body must make their own judgments and be prepared to resist all kinds of pressure.

#### By a Thread

By definition, the duties of a minister of finance are limited to reducing the public debt and increasing revenues so that the activities of the central government (the president of the republic and his cabinet) can develop normally.

In the first area very little economizing is feasible because the national budget approved by law has been reduced to a minimum, said Dr Vargas Peralta.

His intention, expressed already on previous occasions by Mr Luis Alberto Monge, of not reducing the allotment for personal spending so as not to contribute to unemployment, one of the most serious problems the country faces at the present time, was clear.

Nor did the new minister think that by reducing the allotment for certain programs more resources could be obtained, "because government finances are already hanging by a spider's thread."

Also he claimed to be aware of the precarious situation of some of the government ministries due to the obvious lack of resources. He said that the squad cars of the Ministry of Public Safety are practically ruined and the allotments to buy spare parts and gasoline are exhausted.

In the Ministry of Public Works and Transportation, the major part of the equipment and machinery lies unused because it is in bad condition. This means he said, that the situation will have to be remedied somehow, perhaps by transferring allotments.

Dr Vargas Peralta's aim is to reduce expenses in terms of specific programs, that is, to eliminate them completely.

This way for example, he intends to eliminate the state payments to the Bank of the People and Community Development because "this institution should manage by itself."

To diminish Costa Rica's participation in international organizations could mean more savings. "It should be understood," he explained, "that this means organizations of little importance, like the International Center of Public Enterprises for Developing Countries or the World Parliament among others, which are not essential to the country's survival."

Even so, he continued, the savings that could be realized this way are of little importance.

## On the Other Hand

Accordingly, the reduction of expenditures, said Dr Vargas, should be in the area of autonomous institutions "and for this there exists the political clout of Mr Luis Alberto Monge who has said that any official who does not follow a restrictive discipline regarding expenditures will be fired."

"At all costs we will do away with "haphazard" issuances to cover treasury deficits or to repay exchange losses because this method stimulates inflation and does great harm to the country," asserted the future minister.

He announced his intention of obtaining higher taxes through the approval of the tax reform after improvements are made to render it an instrument more in tune with the nation's future economic growth.

Dr Vargas Peralta will play an important role in the coming negotiations with the International Monetary Fund (FMI). Regarding this he said that at the present time nothing is planned.

About the foreign debt of 3 billion dollars for the public sector alone, Dr Vargas Peralta said that restructuring of these obligations should include longer terms and the obtainment of new credit.

Finally he talked about what he thinks should be the role of the Central Bank directors. "There should be a common strategy and similarity of purposes among the seven members of the board of directors; nevertheless each one should have independence of judgment and be ready to resist all kinds of pressure, no matter where it comes from."

9907

CSO: 3010/1562



## CHAMBER OF COMMERCE PRESIDENT VIEWS BUSINESSMEN'S SITUATION

San Jose LA NACION in Spanish 13 Apr 82 p 4A

[Text] In a short time the country will face a severe shortage of many of the products that used to be bought abroad, according to what the president of the Costa Rican Chamber of Commerce, Mr Edwin Mendez Matas said.

He stated that this will happen because the supply of goods in most of the commercial establishments are becoming depleted and a series of factors prevent the restocking of those inventories.

Among the causes, he mentioned the high exchange rate, the impossibility of obtaining credit abroad and the substantial obligation that various businessmen owe to foreign banks.

"Some lines of goods are already depleted, especially the spare parts line," he affirmed.

## Causes

The entrepreneur said that many businessmen had guaranteed foreign debts with installment deposit certificates in dollars that the Central Bank handed to them some time ago.

He added that they fear the foreign creditors might "lose their patience" and institute judicial proceedings against the businessmen, which would aggravate their problems.

Nevertheless, he pointed out that some creditors show "understanding" because they "know the problems are not the businessmen's."

Mendez considered that in view of this situation the future government should give preferential attention to liquidating the obligations that the issuing institution contracted with a significant number of the country's businessmen.

To these problems he added the fact that the producers and the businessmen's suppliers withdrew the credit given them (30, 60 and 90 days) and for this reason the merchandise has to be paid for in cash with dollars, which at the present time they buy at 47 colons per dollar.

He mentioned that the actual purchase of foreign currency in the free market has drained their capital.

#### Claim

The president of the organization that unites the businessmen said that the high prices they must charge for the products because of the rise in the rate of dollar exchange has caused a severe reduction in demand and this also harms business.

"Notwithstanding all of this", he added, "the Central Bank did not authorize loans for the businessmen in the plan approved for 1982.

"Business has many expenses. Not only do we import, we have to buy locally. Furthermore, local businessmen sell everything to us for cash because of the problems they themselves have."

He said that all these problems were discussed with the appointed Minister of Economy, Marco Antonio Lopez, who makes them feel encouraged because of the fact that he considers the businessmen a productive operation.

While commenting on the repercussion that the businessmen's problems have on the Costa Rican economy, he said that one of the most important ones is that in the short term, unemployment will go up.

He stated that business employs 250,000 persons, and it is estimated that up to now between 10 percent and 25 percent of them have been laid off.

He stressed that imports made by businessmen should not be restricted any more because "we will have nothing to sell."

He made it clear that the real drain on the country's foreign currency "is in other areas" because 75 percent of imports enter the country tax-free.

He justified this statement by observing that a report from the World Bank reveals that 75 percent of imports are for taking care of the needs of businesses protected by the free trade agreements with Central America.

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CSO: 3010/1562

## ICAP CONDEMNS BRITISH ACTION IN FALKLANDS

Havana GRANMA in Spanish 8 May 82 p 3

[Statement released by the Cuban Institute for Friendship with Peoples]

[Text] Despite the growing call from all corners of the world for continuation of negotiations regarding the Malvinas, the government of Prime Minister Margaret Thatcher has resorted to force to seize territory that does not legally belong to it.

In this case, England has had the shameless support of the North American imperialists, the two countries being united against the Argentine people's legitimate claim to sovereignty.

It is not surprising even when the U.S. position is abominable and cynical.

The Yankee imperialists, unyielding allies of South Africa's racists, Israel's Zionists, and everything in this world that represents colonialism and oppression, have simply assumed their natural role.

All the hypocrisy of the so-called inter-American system has been laid bare. The goals of the so-called Monroe Doctrine, which spawned the Inter-American Reciprocal Assistance Treaty and which today serves as the United States' ideological foundation for its relations in our America, have again been revealed to our nations. "America for Americans" today becomes--as it always has been--"America for North American interests."

These interests lie with British colonialism and run counter to Argentine and continental interests.

In view of this situation, the Cuban Institute for Friendship with Peoples, faithful to our people's tradition of anticolonialism and solidarity, condemns English aggression and the support given it by the North American imperialists.

Moreover, it is expressing its militant solidarity with the struggle of our brother Argentine people and calls upon the people of the world to mobilize to halt the aggression.

In this hour of Latin American solidarity, the Cuban people stand beside the Argentine people and beside the other Latin American peoples, for today, more than ever, Simon Bolivar's characterization of the United States is pertinent: "I find that at the head of your Great Continent (America) is a very powerful nation that is very rich, very bellicose, and capable of anything. . . ."

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CS0: 3010/1610

## EDUCATION CENSUS OF CIVILIAN GOVERNMENT WORKERS

Havana GRANMA in Spanish 4 May 82 p 1

[Text] From tomorrow through the 31st of this month the CTC [Central Organization of Cuban Trade Unions], working with the State Committee for Statistics, will conduct the National Census of Education, Cultural Improvement, and Technical Training of Civilian Government Workers, in which somewhat more than 2.5 million people will be interviewed.

According to the national CTC's Department of Education, over 200,000 two-person teams, consisting of a local union leader and an administrator, will take part.

The objectives sought in this census include obtaining precise figures--in this phase of the Battle for the Ninth Grade--for workers' attending school to reach that level and planning work that insures and consolidates victory in the coming stages of the campaign.

The census also will provide the information needed about workers who have recently reached the sixth grade in order to promote their advancing to secondary schools. It is intended to obtain other information, too, and to increase enrollment in technical, intermediate, and higher-level schools.

Another objective is to learn the present educational level of all government workers by sex and age group as well as to find out the exact educational level, sex, and age of those not attending school.

Additional information to be obtained in the census includes the educational level of union leaders and administrators and their present educational activity and the number of workers not fit for schooling as well as the reasons for that.

The census universe will embrace all civilian government workers in the country, whether they be permanent, part-time, available or contracting nonpermanent at other workplaces, grouped by union and union section, in accordance with the structure of the CTC.

9085

CSO: 3010/1610

## U.S. ECONOMIC PROBLEMS UNDER REAGAN VIEWED

Havana GRANMA in Spanish 6 May 82 p 5

[Commentary by Oscar Ferrer]

[Text] Rather than shrinking, the American economy's problems have become worse since Ronald Reagan's arrival at the White House, and there are no signs making it possible to speak of improvement in the near future; but there are signs of an increase in the president's unpopularity.

Today the recession is embracing nearly every sector of the U.S. economy. The federal budget has a growing deficit, and unemployment is rising, with nearly 10 million U.S. citizens now out of work.

Today unemployment--which in March reached the record level of 9 percent--is Americans' primary concern (both those out of work and those who fear being laid off soon), followed by worry about reduction of social security benefits owing to Reagan's economic policy.

The recession and high interest rates are battering the country's businesses with increasing force. The AP recently reported that "more and more firms are failing, layoffs are increasing, and profit statements during the first quarter of the year are gloomy." In 1981, 11,000 bankruptcies were filed in the United States, 46 percent more than in 1980.

Dun and Bradstreet, a business information service, recently reported that business failures during the 1-year period ending 8 April were 55.5 percent higher than during the previous year.

It was calculated that the annual rate of business failures in the United States is now 75 to 80 for every 10,000 firms, the highest percentage since the 1930's.

Moreover, industrial production and the level of operation of U.S. factories have declined 7 times in 8 months. At present, only 71.4 percent of the nation's industrial base is being used.

Other evidence of the seriousness of the situation is that Donald T. Regan, secretary of the U.S. Treasury, admitted a few days ago that the country is in a deep recession and that the economy is dead.

Amid such discouraging figures and confessions, it is public knowledge that the budget for fiscal 1983 submitted by Reagan has been the subject of disputes between Republicans and Democrats in Congress; and negotiators from the two parties have gotten together to find a budgetary counterproposal that entails a deficit smaller than the \$110 billion envisioned in the U.S. president's original bill, which is difficult to achieve.

Reagan remains determined to reduce budgets for social programs and to reduce taxes--to the benefit of the wealthiest people--and he is not cutting a cent from the colossal military expenditures required by his weapons-centered strategy.

If he fails to scale down his request for \$258 billion for the Pentagon, and does not halt or modify his proposed reduction in taxes on large corporations, the budget deficit will continue to grow, and with it, public rejection of his harmful economic policy.

Statistics speak for themselves; and they show the president to be wrong: The budget deficit for the first semester of the present U.S. fiscal year (from October 1981 to March 1982) reached the record level of \$71.9 billion.

In 1981, the U.S. economy grew only 1.9 percent, and it is forecast that this year the figure will be 0 percent if during the second half of the year there is sufficient economy recovery to compensate for the first half's recession.

Many firms are trying not to go under, reducing costs by closing plants, laying off workers, reducing expenditures, and so forth. A notable example of this is the automobile industry.

Those are some aspects of the present situation of the U.S. economy, which has suffered since Reagan took office and has no prospect of early recovery.

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## DE LA MADRID TOLD OF TRANSPORT SECTOR PROBLEMS

Mexico City EL DIA in Spanish 21 Apr 82 p 7

[Article by Miguel Angel Ramirez]

[Text] Tlaxcala, Tlax., 20 Apr--Due to the poor organization of the transportation system for rural needs, there were in 1981, 35 million tons of food products which could not be moved.

Of the 22,472 trucks granted concessions by the Secretariat of Communications and Transportation (SCT) only 5,436 belong to importers, merchants and speculators. Of 24,514 trucks under state concessions, only 40 percent belong to producers. Thus, there is a shortage in the nation of 22,000 trucks.

This and other problems were explained to the PRI [Institutional Revolutionary Party] candidate for president of the republic during the Popular National Meeting for Communications, Transportation, and Infrastructure Planning in which representatives of all sectors, public officials, experts and specialists participated.

Victor M. Castillo Medina, representative of the National Peasant Confederation (CNC), said that the transportation system for agricultural needs is poorly organized. This has serious repercussions on the production and supply of agricultural products.

He suggested that the government authorities responsible for granting concessions should make sure that adequate service is provided and that in addition an increased number of trucks be placed at the service of Mexican agriculture.

During the meeting organized by the Institute of Political, Economic and Social Studies (IEPES), America Pavia Cisneros, deputy director for Analysis and Research of the Secretariat of Government, commented on government television and on national development.

She said that encouragement should be given to the idea of radio and television broadcasts of a regional nature designed, among other things, to give favorable publicity to the social, economic and historic characteristics of the various regions of the nation.

She said that if one wants the state broadcasts to have the necessary quality and to be competitive, it is important the the state itself should collaborate in the support and maintenance of the government transmission and production systems.

Clemente Perez Correa, director of Telecommunications and Telecast by Satellites, said it is not advisable to rent indefinitely satellite time from abroad, that although they are an effective substitute for our microwave network in the transmission of television signals, they do not provide the advantages that an apparatus designed for Mexico would have.

It is dangerous to have a foreign satellite broadcast directly to Mexican homes programs originating in another country because the government then loses control over the programs, the contents of which may be contrary to our customs and on occasion could be used to undermine national security.

He felt that it is necessary to negotiate with the United States to minimize the coverage of our territory by their satellites and to counteract this "deluge of foreign information" by means of a Mexican satellite.

Isidoro Rodriguez Ruiz, representative of the National Confederation of Popular Organizations (CNOP), said, "If the demands for service continue at the present levels, during the next 6 years the financing requirements of the subsector of automotive transportation will be about 450 billion pesos and the number of vehicles will have to be increased by 60 and 130 percent for passenger and cargo transportation units respectively.

He stressed the need for continuous adjustment of the laws and regulations to strengthen automotive transportation and to provide a body of rules covering the new legal questions which the development of automotive transportation has created.

He proposed an automotive transportation development program which would include among its objectives effective coordination with the concessionaires to meet the growing demands for services.

9204

CSO: 3010/1555

## PSUM PROMOTING UNIFIED LABOR MOVEMENT

Mexico City EL DIA in Spanish 3 May 82 p 2

[Article by Mario Garcia Rodriguez]

[Text] Acapulco, Gro., 2 May--The local leader of the PSUM [Unified Socialist Party of Mexico], together with all the forces which struggle for democracy, is backing the establishment of a single independent national labor federation which will fight for the aspirations of the working class and will stop the manipulation of the workers by management.

Gilberto Silva said that when entrepreneurs strangle the people economically and politically, the workers must understand the need to struggle for their own interests and for a financial reform that will tax the profits of capital and not labor.

Gilberto Silva said that we should also demand the elimination of the IVA, a tax on capital and not on the consumer. It is imperative that a selective control over foreign exchange be established; that is, that someone purchasing luxury goods abroad should have to pay more for dollars and that someone who acquires machinery not produced in the nation should pay less for them.

PSUM leader Silva Gamboa said that the latest devaluation of the peso is one more proof of the failure of the PRI [Institutional Revolutionary Party] government policy. As always, the ones who pay for this are the workers of the cities and the country, the only ones who produce wealth. However, the distribution of this wealth is not in consonance with the needs of the working class.

He also denounced the policy of Mexican enterprises of exchanging the Mexican pesos earned by the efforts of the workers into dollars and then sending them abroad to be kept in safe deposit boxes, since this causes unemployment.

Gilberto Silva concluded by saying that this situation which the workers have endured for years, has caused their present economic crisis which expresses itself in inflation, high cost of living, unemployment and its consequences, but it results in increased profits for the entrepreneurs. For this reason, the PSUM is making an appeal to the working class so that all its members, in a single labor federation, may struggle to get out of the chaotic situation our country is in.

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CSO: 3010/1555

## EPISCOPAL DOCUMENT ON INDIAN, PEASANT VIEWS ON POLITICS

Mexico City EL DIA in Spanish 23 Apr 82 p 6

[Text] The bishops of Pacifico Sur stated in a document released yesterday by the Mexican Office of Catholic Documentation and Information, directed by Father Francisco Ramirez Meza, that the Indians and peasants--at least those of the southwest of the country--have misgivings with regard to the policies of the parties since the latter do not have programs to solve local problems but only look out for their own private interests.

This document contains 164 points and is signed by Bartolome Carrasco Briceno, archbishop of Oaxaca; Jesus Alva Palacios, assistant bishop of Oaxaca; Samuel Ruiz Garcia, bishop of San Cristobal de las Casas; Arturo Lona Reyes, bishop of Tapachula; Braulio Sanchez Fuentes, bishop of the Mixepollitana prelature; Hermenegildo Ramirez Sanchez, bishop of the Huautla prelature; and Jose de Jesus Castillo Renteria, bishop of Tuxtepec.

Their document states, "As far as political parties are concerned there is at present a growing interest in politics but many Indians and peasants scorn anyone involved in party politics. They see in politics an unbelievable lack of sincerity, demagoguery, a total lack of democratic representation and the absence of any control, which leads to a high degree of corruption."

They call the document "A Message From the Bishops of Pacifico Sur" with subheadings such as "To live the Christian life is a political obligation" and "The true situation in the region."

The signers also point out, "Here and there we meet Indians and peasants who say that they are fed up with this state of affairs, especially with the way they are governed."

According to the officials of the Catholic Church of that region, the peasants and Indians are dissatisfied with everything, especially with partisan politics. "They have no experience other than forced taxation by the authorities. In some places the authorities of the municipalities have been changed several times in a single year."

According to this document, the faction in power, confronted with the prevailing confusion and feeling that the loss of the elections is imminent,

use force; that is, "there the force of logic does not prevail, only the logic of force."

The priests state that the people formerly participated more in the solution of their community problems but since the parties have taken over there is notable apathy since the parties have "undemocraticized" all activity.

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CSO: 3010/1555

## BAYARDO ARCE DISCUSSES U.S., EUROPEAN AID

PM281609 Helsinki HUFVUDSTADSBLADET in Swedish 27 May 82 p 7

[Interview with Nicaraguan Sandinist leader Bayardo Arce by Mathias Luther:  
"New World Order Is Nicaragua's Hope"]

[Text] "For countries like ours it is not a question of being able to pay-- it is a question of being able to survive," commandante Bayardo Arce said. Arce is a member of the Nicaraguan Sandinist Front's nine-man political council and the leader of the Nicaraguan delegation at the current socialist international conference in Helsinki.

Arce dismissed the U.S. aid program for the Caribbean region, now a few months old, as completely inadequate.

"There is no point in offering \$340 million to a region, where a large number of countries would each need a bigger sum than that. Nicaragua needs \$250-300 million in credits and aid for the rest of this year, in addition to the \$160 million we have been promised in recent contacts with Western Europe and the Soviet Union. And Costa Rica has been declared bankrupt--the country's new government says that it needs \$1 billion during its first year alone.

"The U.S. plan pretends that 100 hungry people can be fed with one piece of bread," Arce said.

Arce considers that only the prophesied new world economic order, which would aim, for example, at guaranteeing the real value of the developing nations' exports, could solve Nicaragua's problems.

"Last year we lost \$123 million because of price fluctuations for our raw materials on the world market."

Commandant Arce said that it is impossible to prevent the Falklands crisis being discussed at the socialist international meeting. But he said that he does not believe that there will be any confrontation at the meeting, despite the fact that Nicaragua together with Venezuela and Panama declared wholehearted support for Argentina on Tuesday [25 May].



"In the present situation, as in all war situations, it is very important to act coolly and maturely. I believe that the socialist international will do that," Arce said.

"The Latin American parties consider it necessary to examine the problem thoroughly in a way which will not widen the gap between Europe and Latin America."

In Helsinki Arce will meet Prime Minister Kalevi Sorsa, whom he sees as a definite friend to Nicaragua. He will discuss with Sorsa the possibility of aid and cooperation chiefly in the dairy and forestry industries.

This is the first time that the Sandinists have attended a socialist international meeting, and they are doing so as observers. However, the party has not applied for membership, considering it best to remain outside all blocs for the immediate future, even though it cooperates with the socialist international's regional organization in Central America.

"In a few years we can expect a more definite stance," Arce said, adding that "our best friends are here."

CSO: 3109/174

## JAIME LUSINCHI VIEWS ADMINISTRATION'S ECONOMIC MEASURES

Caracas EL UNIVERSAL in Spanish 12 Apr 82 p 2-1

[Text] Economic measures announced by President Herrera will mitigate the problem we are facing but will not solve it, said Dr Jaime Lusinchi, presidential candidate for Democratic Action [AD]. Dr Lusinchi offered the following comments on the president's proposals.

The message addressed to the nation by the president last Wednesday, 7 April, contains some positive elements, and amounts to recognition of the political errors committed by the current administration. It also implies partial correction of those errors.

Particularly significant is the president's manifest intention, after 3 years of isolation, to listen to the various groups who represent the nation. Also significant is the fact that the administration, after having turned its back on reality since the beginning of its term in office, seems to be increasingly aware of some of the grave problems our country is facing. Unfortunately, both the administration's analysis of the crisis and the solutions it proposes are inadequate. This is only a small part of the larger program we need. The disconnectedness of the government's resolutions is worth noting, especially when it is evident that the magnitude of the crisis can only be met by a global plan of economic action. In and of themselves, these proposals are correct and necessary, but it is a commonplace in economics that solutions should not be applied in an isolated manner, without considering fully their justification, their consequences, and their appropriateness.

It is also well to point out that an attempt is being made to present our difficulties as resulting solely from petroleum, while belittling or ignoring the deeper economic crisis of unemployment and inflation being suffered by Venezuelans as a result of their current government's economic policies. This perspective also ignores the fact that the most negative effect of reducing petroleum income would be to deepen these more serious ills. The concrete solutions proposed suffer from a lack of analysis. They attempt, in a partial way, to broach the revenue gap, but they fail to touch the problems of unemployment, inflation, and stagnation. The revenue shortfall of 13.4 million bolivars announced by the administration is understated,

according to estimates by the country's foremost experts. It is nevertheless a closer approach to the truth than previous estimates stubbornly defended by the government up until a few days ago. Concerning reductions in budgetary expenditures there is little to be said, since, with the exception of some lip service paid to ritual savings measures such as job freezes and cuts in luxury expenses, nothing is said about which programs will be affected, although it is possible that it may come down to a question of investment outlays.

As far as gasoline price increases are concerned, Democratic Action had already suggested this step as a part of an overall energy policy. We never thought of it as an isolated measure. We believe that it implies an improvement over the administration's earlier attitude, and it is reasonable to suppose that it would be accompanied by complementary measures. In this regard, it is worth noting that the president is presenting this step more as a concession to the opposition than as a national need. If that is what he thinks, then he shouldn't have taken it. This cuts to the heart of his responsibility as a statesman.

What still remains unclear is the congruence of his protectionist proposals--which we will not discuss here--with the misnamed policy of "vindication of the economy," a policy that appears to continue in spite of its failure, while its well-known negative effects are ignored.

The president's message is not sufficiently clear to permit appreciation of the possible effects his proposals will have. No firm or convincing explanation is offered, for example, of how these proposals will correct the estimated 13.4-million-bolivar shortage in revenues, nor of how this figure was arrived at, nor is any account given of possible adjustments in or postponement of financially strenuous projects repeatedly proposed by the chief executive.

It can nevertheless be said that the president's proposals will lessen the fiscal problem without really solving it. We are dealing basically with accounting adjustments that have an impact on the budget. It is also necessary to clarify that there is nothing in these proposals to permit us to foresee any betterment in current levels of economic activity, any reduction of inflation, or any much-needed recovery of confidence by the private sector. On the contrary, continuation of the recession makes it easy to predict increases in unemployment, in price levels, and in supply shortages that will make it increasingly difficult for the people, particularly middle and lower income groups, to tolerate the consequences of a misdirected economic policy. The country needs more extensive corrective measures. What has been done so far is only a small fraction of what remains to be done.

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## FOREIGN ENTERPRISES TO JOIN IN ORINOCO BELT PROJECT

Caracas EL NACIONAL in Spanish 24 Apr 82 p 6

[Text] The Office of the President will ask a total of 70 foreign enterprises now working in the petroleum industry to join Venezuelan firms in exploration and exploitation of the Orinoco Oil Belt.

To this effect, the National Council on Capital Goods notified representatives of these companies of the deadline, and gave them the names of Venezuelan firms that might be interested in working with them.

Amador Hernandez, executive secretary of the council, indicated that both Venezuelan Petroleum, Inc., and its affiliates have agreed to organize a program of "mixed enterprises" that would permit Venezuela's engineering corps to absorb technological and industrial advances from its foreign counterparts.

During the current phase, which has been called the second stage of national industrial development (the first was import substitution), the government has emphasized maximum use of its investment programs to stimulate demand for machinery made in Venezuela. According to Hernandez, the 5-year period 1981-1985 is expected to show a capital-goods demand in excess of 84,000 bolivars, of which 40 percent will apply to the petroleum industry, and another 60 percent to the remainder of the country's manufacturing installations.

Current plans call for investments of over 951 million bolivars in plants to manufacture drill bits, suction rods, rocker arms, spherical valves, Christmas trees, steam generators, drill tubing, pumps, and pipe connections.

These are short-term projects. In addition, there is a program in the petroleum industry to encourage small and medium-sized businesses in five basic areas: casings, subsurface well-accessory equipment, drill strings, orientation devices, and various accessories.

He indicated that the council is selecting products sure to continue in demand over at least a 20-year period. This is in order to avoid a recurrence of what happened under Orinoco Iron and Steelwork's (SIDOR) Plan IV which, once it was terminated, left a number of enterprises without anything further to do.

In this context, investment projects in electrification programs (Enelbar, the Uribante-Caparo dam, and the final stage of the Raul Leoni dam) will allow the nascent capital goods industry a certain amount of diversification in relation to the Orinoco Oil Belt.

Hernandez mentioned that efforts are being made to use two enterprises that recently went bankrupt--the Guyana iron industries and Proacero del Zulia--in order to get production of machinery definitively off the ground.

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